Hon'ble Speaker,

1. 'ಅನ್ನವ ಕೊಟ್ಟ ಹೊಲಕೆ ನಮಿಸಿ, ಚಿನ್ನವ ಸುರಿದ ನೆಲಕೆ ನಮಿಸಿ, ಅನ್ನದಾತ ರೈತನನ್ನು ಸ್ಮರಿಸಿ' ('Salute the land which gave food, salute the land which gave gold, remember the farmer')

   It is my pleasure to present the agriculture Budget for 2012-13. This is the second exclusively presented Agriculture Budget. The first Agriculture Budget presented last year with the intention of comprehensive development of agriculture sector and empowerment of the farmers has been widely supported and appreciated. Farmers have especially welcomed this initiative, which has greatly enhanced our enthusiasm.

ಇಕೋ ನೆಲ–ಅಕೋ ಜಲ

ಅದರ ಮೇಲೆ ಮರದ ಫಲ

ಮನದೊಳಿದೆ ಪಡೆವ ಛಲ

ಬೆಳೆವಗೆ ನೆಲವೆಲ್ಲ ಹೊಲ.

ಜಲಧಿವರೆಗು ಒಂದೆ ಕುಲ

ಅನ್ನವೆ ಧರ್ಮದ ಮೂಲ

ಪ್ರೀತಿಯೆ ಮೋಕ್ಷಕ್ಕೆ ಬಲ

ಇದೇ ಶೀಲ ಸರ್ವಕಾಲ // ಇಕೋ ನೆಲ.....

.....ಚನ್ನವೀರಕಣವಿ

The above lines by the great poet Sri Channaveera Kanavi reflect the tireless efforts of the farmer who toils day and night in harsh conditions to give us food and life.

ಭೂಮಿಯೇ ದೈವ,
ಭೂಮಿಯೇ ತಾಯಿ,
ಉಳುಮೆಯೇ ಅರ್ಚನೆ,
ಬೆಳೆಯಾರೈಕೆ ಮಂತ್ರ,
ಸುಗ್ಗಿ ಫಲವೇ ದೇವರು ಕೊಟ್ಟ ವರ.

If we can understand these lines of the great poet abut the faith of the farmer, we will come to know the importance of Agriculture and the Agriculturist.

2. The credit of presenting the first ever exclusive Agriculture Budget in the country goes to our Government. This new initiative has been applauded by the Members of the Planning Commission and several other states in the country. Many states have sent their representatives to understand various aspects of our Agriculture Budget and to study its implementation strategy.

3. As a result of the efforts of our Government, Agriculture had achieved a growth of 13.3 percent in the year 2010-11. Because of drought conditions in 123 taluks during 2011-12, the growth in agriculture sector has come down. The main objective of our second Agriculture Budget is to make improvements in agricultural growth.

4. Agriculture is considered a life supporting activity and the source of sustenance for entire animal kingdom including human beings. Activities in industry, commerce and

business are mostly dependent on agriculture. It is not possible to think of any productive activity without agriculture. Hence, comprehensive strengthening of agriculture sector and welfare of farmers who are the patron of agriculture have been the main priorities of our Government. In this background, high priority has been accorded to agriculture, horticulture, animal husbandry, sericulture, fisheries, marketing, co-operation and water resources sectors.

An overview of the precious year

5. Our state had to face natural calamities and environmental constraints during 2011-12. Despite all this, our Government has formulated several innovative schemes last year and successfully implemented them for the development of agriculture and allied sectors.

Drought management

6. During the current year, though monsoon was normal initially, in the month of September and the second week of October, there was severe deficit of rainfall in the northern and inland areas. Since the deficit in rain fall was more than 20% and the dry spell continued for more than 4 weeks, the Government declared 123 taluks in 24 districts as drought-hit areas so as to provide immediate to the farmers.

7. Due to the dry spells 22.36 lakh hectare of agricultural crop and 0.69 lakh hectare of horticultural crop in kharif season and 12.11 lakh hectare of agriculture crop in Rabi season suffered losses.

8. A memorandum seeking central assistance of Rs.2606 crore to tackle drought situation has been submitted to the Government of India. Central teams visited 13 districts of the State from 15 to 18th December 2011 to assess the severity of drought and losses caused to the State, and submitted reports

to Union Ministry of Agriculture. The State Government is in touch with the Central Government, and their response is awaited.

9. State Government has released Rs.301 crore for various activities to tackle the drought situation. These include supply of drinking water through tankers and bore-wells, opening of 34 goshalas, purchase and storage of fodder by opening fodder banks and other relief measures. These relief measures have been taken up as per the directions of the Cabinet Sub-Committee and in consultation with the District Administration co-ordinated though video conferencing.

10. In the usual course, the production of food grains would have come down by 50% due to drought conditions. But due to various schemes implemented by the State Government throughout the State, the production has come down only by 10% compared to the production in the previous year (production during 2010-11 was 140 lakh tons, during 2011-12, it is 124 lakh tons).

11. Main achievements of the Agriculture Budget 2011-12

Agriculture

- In spite of drought conditions, State has achieved 92% of the targeted foodgrain production (124.24 lakh ton).
- 6.92 lakh farmers were provided assistance under the Suvarna Bhoomi Scheme.
- Bhoochethana scheme has been extended to 30 lakh hectares, and increase of 21 to 43% in yield has been achieved in areas not affected by drought.
- Seed for sowing has been distributed in excess of demand.
- Fertiliser has been supplied on time.

- For the first time in the country an integrated Agri-Business Development policy has been announced and Agriculture Investment & Food Processing Meet 2011 was organized during 1-2, December 2011. In this Meer, 62 agreements were signed for Rs.60,976 crores.
- Under the Farm Mechanisation and Agriculture Processing scheme, 765 pumpsets, 244 Agriculture Processing Units and 4500 high-tech agricultural implements have been supplied to farmers.
- Under Micro Irrigation scheme Rs.73 crore was provided, covering 43,435 hectares under sprinkler and drip irrigation units, distributed to farmers at 75% subsidy.
- Inter-action with organic farmers was held in 14 districts and organic farming has been extended to 1,18,677 hectare area. More than 65 organic farming retail units have been started; Karnataka Amruthabhumi Implementation Unit has been established to give institutional support.
- Short-term certificate and diploma courses have been started in Agriculture Universities.
- A total credit assistance of Rs.28,242 crore has been provided to agriculture sector through co-operative and commercial banks.

Horticulture

- 43,783 hectares of additional area brought under micro irrigation during 2011-12.
- Organic Horticulture adopted in 19,390 hectare.
- Neera processing unit started with the DFRL and CFTRI technology at Thumbe in Dakshina Kannada.

- 3,300 acres brought under assured banana cultivation; this scheme is implemented entirely for the Scheduled Caste and Scheduled Tribe farmers.
- 28 Horticulture Information Centres started at district level to provide information in respect of horticulture and allied services.
- 5 new botanical gardens being developed in Chikkaballapura, Tumkur, Mysore, Sirsi and Kannamangala in Bangalore.
- 2 flower auction centres will be established and made functional at Chikkanahalli in Tumkur district and at Davanagere. Mango Development Centre has been started in Hogalagere farm in Kolar district.

Animal Husbandry

- Incentive to milk producers at Rs.2 per litre has been given, number of milk producers increased by 11.3% and quantity of milk produced increased by 13.2%.
- Tenders have been invited for private partnership under Dhanvanthri Scheme on PPP model in 86 taluks for emergency treatment of animals.
- Construction of 583 veterinary buildings and 66 dispensaries.
- Cattle Feed Plant with a production capacity of 300 Metric Tons at Shikaripura is under progress.
- New veterinary polytechnic has been established at Konenahalli in Tumkur district.
- Assistance of Rs.37.85 crore given under Amrutha scheme to widows, Devadasis and destitute women.

Fisheries

- Increase of 35% in production of fishlings.
- Supply of tax-free diesel to fishermen increased to 1.15 lakh kilo liter.
- Subsidy of Re.1 per unit of electricity given to ice production units and cold storages.
- Dredging work completed in Hejamadi Kodi fishing harbor and Jetty construction work completed in Belikeri fishing habour.

Sericulture

- In order to protect the interest of silk growers and to provide relief from distress sale, an assistance of Rs.30 per kg has been announced if the price of cocoon falls below Rs. 160 per kg.
- Full subsidy has been provided in all pending cases of the last year in respect of such beneficiaries.

Co-operation

- By the end of 2011-12 total amount of loan distributed is likely to exceed Rs.6,000 crore.
- 81,555 members will be benefited under Yashaswini scheme.
- 20,201 farmers have been benefited under the support price scheme for procurement of paddy, onion and tur.

Water resources

- A total of 1,35,850 acres of area has been brought under irrigation facility through major and medium irrigation schemes during 2011-12. An additional extent of 16,557 hectare has been brought under minor irrigation and irrigation potential has been stabilized for 11,100 hectares of area. Modernisation of Tungabhadra Left

Bank Canal and distribution canal works have been completed during the current year with an expenditure of Rs.310 crore and modernisation of Kabini Canal, Kattepura reservoir in Cauvery basin is under progress. Filling up of 16 tanks and Bandaras in Bijapur district is under progress.

- Under Upper Krishna Project, work of Gutti Basavanna Scheme and Chimmalagi, Mallabad lift irrigation scheme head works and Stage-3 of Muluvad lift irrigation scheme are in progress. Drinking water projects of Gulur- Hebbur and Honnavalli have been completed and water is being released on trial basis. In Krishnarajasagar, modernization of 16 damaged gates is completed and renovation of the remaining 6 gates is under progress.
- The ADB has submitted a technical report for improvement of integrated water resources management system and the detailed project report is under preparation. The report submitted by the Wtaer Resources Group-2030 of the World Economic Forum is under consideration. A State-of-Act Centre has been established for water resources development.
- Latest technical equipment have been installed to measure water level in reservoirs. A Resource Centre has been established in Karnataka Neeravari Nigama.
- Rejuvenation of tanks in Chamarajanagar district and the project of filling them with Kabini river water are under progress with an outlay of Rs.212 crore.
- Action has been initiated to improve 88,800 hectare of marshy and saline lands under NABARD scheme.

Some Challenges:

12. Though several steps have been taken, the condition of the farmers needs to be improved further. In this direction, the challengers that we need to face are as follows.

(a) Increase in productivity in dryland and irrigated farming:

In our State (including all seasons) 88 lakh hectares of dry land and 41 lakh hectares of irrigated land are under cultivation. In order to improve productivity in these areas it is necessary to supply adequate quantity seeds, use micro-nutrients for improving soil fertility and provide information to the farmers, Besides, supplementary field extension activities are required. In this direction, providing training to garmers about innovative farming techniques is essential.

(b) Modern marketing facilities for agricultural produce an remunerative prices:

The condition of our farmers is very weak as they do not get remunerative prices for their product, even when they sweat to grow crops with great hardship. It is necessary to establish markets wit transparent system, direct procurement centres, farmer-consumer market facility and e-trading facilities. Besides, it is required to facilitate services for gradation of products and quality-certification.

(c) Scientific support and supplementary investment:

The farmers of our state and country need to come out of vicious circle to improve their living condition. For this, it is required to make available facilities for scientific testing at all levels (soil, quality of product and gradation etc.) and to make information available to all. Similarly, additional investment at all levels, machines and implements of the required efficiency, right technical specialists, assistance from private sector expertise are required.

Hon'ble Speaker,

13. I have made efforts to discuss various action-plans required to face these challenges. In this endeavour, in addition to the efforts of our officers, advice of the experts, opinions of vice chancellors of Agricultural and other Universities, advice of farmer leaders, reports and proposals submitted by different take forces and people's organizations and reports from media have been considered.

14. This agriculture Budget of 2012-13 not only includes land and water-cantered programmes, but also allocation for allied sectors. I hope that this agriculture Budget will inspire us to conduct fruitful discussions and find solutions for overall development of the farmers of our State.

New strategies

15. During the last year, our main effort was to focus on tackling the serious problems in the area of agriculture. In particular, the problems of small and marginal land holders, untimely supply of quality seeds, delay in supply of adequate fertilizers, increase in the cost of agricultural production, non-remunerative prices for agricultural produce, lack of marketing facility, added to these there was shortage of timely rainfall-while most of these factors relate to agriculture economics, the other main reason is inadequate application of appropriate technology. Moreover, these issues are not restricted to a particular department or institution. But relate to man departments of Central and State Government, NABARD and Commercial Banks for finances, and also to problems connected with supply of fertilizers and seeds.

16. In the agriculture Budget last year, while giving attention to the points mentioned above, we formulated various schemes to tackle them, and accorded priority to value addition in the area of agriculture. All the stake holders in the field of

agriculture wholeheartedly welcomed these programmes and appreciated their implementation. It was because of these initiatives that in spite of the depressing conditions of drought in 123 taluks, it is expected to reach 124 metric tons of food grain production in our state during 2011-12.

17. It is not an easy task to understand various dimensions of such a vast field as agriculture. In order to bring about development in agriculture and allied sectors, it is essential not only to formulate programmes and policies, but also to mobilize huge resources and build capacity for effective implementation. Those who work in this field have realized this. On the basis of the experience gained in this direction, and since many such schemes have been useful to farmers, I have decided to continue these schemes this year also. For example, Suvarna Bhoomi Yojane, Bhuchetana, Organic farming and development of bio fuel. Taking into account the experience acquired during the recent years and considering the feedback from experts, some of the programmes will be revised and reformulated for more effective implementation. Besides, the scope of some of the programmes will also be expanded. The objective of these initiatives is to ensure that quality inputs reach our farmers in time. In this background, in the Agriculture Budget 2012-13 emphasis has been given on the following points:

(1) Credit facility at low rate of interest;
(2) Cluster-villages/area-based programmes;
(3) Programmes to increase productivity in dry land farming;
(4) Supply of nutrients through scientific methods in irrigated lands to increase productivity;
(5) Increase in buffer stock of fertilizers from 4 lakh to 8 lakh metric tons;
(6) Reforming market systems with assistance of NCDEX;

(7) Value addition in the field of horticulture and animal husbandry;
(8) Use of appropriate technology and mechanized implements;
(9) Follow-up action to implement the proposals received during Global Agriculture and Processing Meet.
(10) Better efficiency in capacity utilization of water in the

Irrigated areas;

(11) Application of sprinkler and the drip irrigation together with development of tanks;
(12) Implementation of schemes under Upper Krishna Project 3rd stage and rehabilitation works;

18. In order to ensure that our farmers in the coming years are protected from facing frequent drought conditions, steps have been taken to formulate special action plans in collaboration with international level scientific institutions such as International Crop Research Institute for Semi Arid Tropics, International Rice Research Institute for Semi arid Tropics, International Rice Research Institute, Maize and Wheat Research Institute, International Animal Husbandry Research Institute and International Food Policy Research Institute. Right strategies will be designed with assistance from these institutes, and implemented on pilot basis in some taluks/ districts, which will then be extended to other areas. I am happy to inform that our state will be the first in the country to start such new initiatives.

19. I have strong confidence that by implementing these schemes it will be possible to achieve significant progress in agriculture and allied sectors and to improve the living conditions of our farmers.

20. I shall now discuss the details of these schemes and complementary strategies.

Agriculture

21. Rs.2921 crore has been provided for various activities of Agriculture Department.

22. Extension of Suvarna Bhoomi Scheme : Farmers in large numbers have benefited from the Suvarna Bhoomi Scheme. Due to drought conditions during 2011-12 and various other reasons, the results have not been up to the expectations. In order to improve the living condition of the farmers by helping them shift to high-yielding crops, Government is committed to continue this scheme during this year. In the light of the experience of its implementation in 2011-12 and its evaluation, this scheme will be reformulated and implemented in 2012-13.

23. Bhuchethana throughout State : Government of Karnataka has launched a special scheme 'Bhuchethana' since 2009-10. This will be continued up to 2012-13 with a view to increase crop yiled in dry-land at least by 20%, and thus improve the living standard and financial status of the farmers. The scheme is being implemented by Agriculture Department in collaboration with ICRISAT (International Centre for Research in Semi Arid Tropics), Watershed Development Department and Agriculture Universities. Under this scheme agricultural implements are being provided to farmers at 50% subsidy as supplement to dryland farming technology at the village cluster level.

24. During 2012-13 Bhuchethana scheme will be expanded from the present 30 lakh hectare to 50 lakh hectare in all the districts, including 5 lakh hectare of irrigated area. This will be implemented with the help of 10,000 farmer facilitators and 50,000 progressive farmers. During this year, Rs.110 crore will be provided for this scheme involving 45 lakh farmer beneficiaries.

25. Water-utilisation potential and increase in crop productivity : In our state the productivity of paddy and sugarcane crops has been less than optimal. With the objective of increasing the yield of these crops by 30%, action on the lines of Bhuchethana scheme presently implemented in dry lands will be taken in 5 lakh hectares of irrigated areas.

26. A programme with an putlay Rs.110 crore will be taken up to increase the yield in dry as well as irrigated areas. The target of total production of foodgrains during 2012-13 has been set at 136.55 lakh tones; oilseeds production will be 15.20 lakh tones.

27. **Extension of organic farming :** In view of increasing demand by farmers for adopting organic farming, it will be extended to more villages through the redesigned Amrutha Bhoomi Project for which an amount of Rs.200 crore will be provided during 2012-13.

28. **Distribution of seeds at subsidized rates:** An amount of Rs. 100 crore will be provided during 2012-13 for providing quality seeds to about 30 lakh farmers so that crop productivity can be increased by 25%.

29. **Own seed development scheme :** Arrangements will be made through various agencies for processing and certification of seeds grow by farmers. Necessary infrastructure and financial assistance will be provided for this new scheme.

30. **Farmer Friendly Fertilizer Supply Scheme :** Agriculture Department has been implementing a scheme since kharif season of 2008 to have butter stock of chemical fertilizer to ensure timely supply to the farmers. During 2011-12 kharif, 4.10 lakh metric tons of chemical fertilizers had been stocked through Karnataka State Co-operative Marketing Federation; this quantity will be increased to 8 lakh metric tons of various types of chemical fertilizers in 2012-13. Government guarantee will be provided to the Marketing Federation for raising Rs. 1,000 crore for this purpose. An amount of Rs.50 crore will be provided for the interest requirement, storage and transportation cost.

31. K-KISAN

(a) Computerization and co-ordination of departmental offices : Farmers need to be given timely information about agricultural production, market, technology and other services through strengthening and modernization of agricultural extension systems. They can be empowered by providing 24X7 services through information and communication technology. In this direction, Agriculture Department intends to computerize farmers' communication centres from hobli to Secretariat levels, with co-operation of public and private expert organizations in collaboration with e-Governance Department.

(b) Creation of database of farmers: With the integration of Bhoomi project with UID (Aadhar) Scheme running in the State, a comprehensive database of landholdings, categories, address etc. of the farmers can be prepared. Based on this data, analysis can be made regarding various facilities provided to each category of farmers (small, mariginal and big farmers) and distribution among the zones. This data will be useful in formulating agriculture-related policies. A sum of Rs.10 crore is provided in 2012-13 for implementation of this

programme in collaboration with e-Governance Department in Tumkur & Mysore Districts on pilot basis where UID (Aadhar) scheme is completed. It is estimated that 60 lakh farmers will benefit from this scheme.

32. Strengthening Raitha Samparka Kendras: Agriculture Department has established totally 747 Raitha Samparka Kendras- one each in every Hobli in 2000-01. Service of extension workers are essential for informing the farmers about technological details and schemes implemented by the Department. To bring various agriculture-related activities under one roof, and to strengthen Raitha Samparka Kendras, an amount of Rs.50 crore has been provided in 2012-13 for taking up the following schemes.

- **Deputation of Agriculture Students:** The students graduating from Agriculture, Horticulture and Animal Husbandry Universities will be deputed at least for 3 months to Raitha Samparka Kendras for acquiring minimum practical skills, field experience and knowledge. Monthly honorarium of Rs.1,500 will be paid to them.

- **Single window facility for Agriculture services:** It is essential to have good co-ordination between officers of agriculture and allied departments, scientists and farmers. Besides, there is need to bring them under one umbrella to provide the required services and equipment to the farmers at hobli lavel. It is planned to implement this project in collaboration with government and expert private institutions on pilot basis in 8 taluks with 2 each in 4 Revenue Divisions at an estimated

cost of Rs.8 crore in 2012-13. Based on the experience it will be extended in a phased manner throughout the State.

33. Hire service centers for farm machines: As many as 75% of farmers in our state are small and marginal, and it is difficult for them to conduct timely agricultural operations because of the high cost of farm equipment and scarcity of agricultural labour. In order to overcome these problems, the Department proposes to establish hire-service centres for the farmers to hire tractor and other high-tech implements on rental basis.

34. During the previous year 660 hire service centers have been started, one each for a cluster of ten villages for providing agricultural implements to farmers under Rastriya Krishi Vikasa Yojane through registered Primary Agricultural Credit Co-operative Societies. Based on the success of this scheme, a sum of Rs.50 crore has been proposed for opening 500 hire service centres each at a cost of Rs.10 lakh through selected registered co-operative societies.

35. Strengthening of Universities : There are 4 Agricultural Universities and one University each for Horticulture and animal Husbandry in the State. An amount of Rs.524 crore has been provided for these universities in 2012-13. To supplement them, several new Agriculture, Horticulture and Animal Husbandry colleges have been opened in the recent years. In spite of this, there are demands from many districts/taluks to open such colleges. Apart from the lack of adequate funds, infrastructure facilities and faculty, there is lack of co-ordination between these universities. Considering all these points, it is intended to from an Expert Committee to suggest a road map for their further development and to formulate a plan of action. Government will take appropriate

action in 6 months to examine the report and initiate implementation.

36. **Bio fuel development :** An amount of Rs.50 crore has been proposed for strengthening of the existing bio fuel scheme; this will be of benefit to 50,000 farmers.

Sugar

37. Mysugar Company of Mandya will be given an assistance of Rs.30 crore for its revival.

Horticulture

38. A sum of Rs.867 crore has been provided for various activities of Horticulture Department.

39. It has been proposed to implement "Karnataka State Integrated Horticulture Development Scheme" during 2012-13 in selected clusters on the principles of integrated development. By this 28,000 hectare of land can be brought under cultivation of value added horticulture crops. It is estimated that about 50,000 farmer families will get direct benefit under this scheme. It is expected that Rs.450 crore worth of horticultural production will be increased every year by implementation of this scheme, with an increase of 5% in production and 7% in productivity. It is proposed to implement this scheme at a cost of Rs.305 crore.

40. With assistance of Israeli technology, it has been proposed to establish high technology expert centres for vegetable crop development in Belgaum, pomogranate in Bagalkot and mango development in Kolar districts.

41. At present 75% subsidy is given under Micro Irrigation Scheme. It is proposed to increase this to 80% from the year 2012-13.

42. Exact area under horticulture and production achieved during this year will be assessed through the survey of horticultural crops. An amount Rs.5 crore is provided for this scheme.

43. Areca nut is being grown in 2.13 lakh hectares in Karnataka. For many years farmers have been facing severe distress due to yellow leaf disease afflicting areca plants in an area of around 10,400 hectares. During 2011-12 subsidy of Rs.5.7 crore has been provided to farmers under Areca Rejuvenation Programme and this scheme will be continued during this year also.

44. Along with providing suitable assistance to increase productivity of horticulture crops, Karnataka Government is also committed to provide necessary marketing facilities so that horticulture farmers get remunerative prices. In this regard it is intended to form farmer's groups/associations to provide suitable storage and transportation facilities to the horticulture produce grown by the farmers, and also to provide assistance to establish contacts with market co-ordinators. This scheme will be implemented in four districts on pilot basis.

45. Apart from facilitating the farmers in growing, storing and selling the produce, this system will also provide market security. This will help consumers in getting good quality products at fair prices.

46. Hopcoms and Karnataka Horticulture Federation will be restructured, and will be strengthened in stages.

Animal husbandry

47. For various activities of Animal Husbandry Department a total of Rs.989 crore is provided.

48. Milk subsidy scheme will be continued with an outlay of Rs.300 crore for the benefit of 22 lakh farmers.

49. **Computerisation :** An amount of Rs.20 crore will be provided for establishing network between 4,110 animal husbandry institutions and state level offices.

50. **Diploma Course :** Action has been taken by the Department to start two-year Diploma Course at Konehally, Tumkur District during 2012-13 for those who have passed 10th standard. This will help in creating employment-opportunities for the rural youth.

51. **Go Samrakshane :** Under the Karnataka Go Samrakshane Yojane, assistance will be given to Non-Government Organisations. The main objective of this scheme is conservation and protection of the local cow breed. NGOs with 10 acres of land and rearing at least 50 cows will be given financial assistance.

52. As already done in some other States, Go Sewa Aayog will be set up to protect and promote our cattle wealth.

53. Provision for Animal Husbandry Colleges: An amount of Rs.60 crore will be provided for construction of buildings and purchase of essential infrastructure equipment in respect of new veterinary colleges at Shimoga and Hassan, and also for construction of new veterinary colleges at Athani, Gadag and Puttur during the current year.

Priority for Fisheries

54. Rs.215 crore is provided for various activities of the Fisheries Department.

55. Fish Production : Demand for fishlings in the State is about 80 crore fry, whereas the present production is about 40 crore fry. To meet the remaining demand, an amount of

Rs.10 crore will be provided for upgradation of Fish Production Centres.

56. Rs.24 crore will be provided for construction of 4000 houses during 2012-13 for the fishermen without houses.

57. Additional diesel for mechanized boats: As there is a great demand for diesel used by mechanized boats, the quality of tax-free diesel will be increased to 1.25 lakh kilo litres. Rs.4.5 crore will be provided for supply of life jackets costing Rs.1500 each to 30,000 fishermen, Insulated boxes costing Rs.4,000 each will be supplied to 6,000 fisher women.

58. Construction of Oceanarium: An Oceanarium of international standard will be constructed at KRS Brindavana and Pilikula at Mangalore under public private partnership.

59. During 2012-13 an amount of Rs.26 crores will be provided for the II Stage of Hejmadi Kodi harbour in Udupi district which requires a total investment of Rs.60 crore.

Sericulture

60. Rs.293 crore is provided for various activities of Sericulture Department.

61. **Increase in production :** There is a target to raise new mulberry plantation in 50,000 acres, produce Rs.12 crore silk eggs and 64,600 tonnes of cocoons during the year 2012-13.

62. **Incentive for quality silk cocoons:** Quality and production based assistance at the rate of Rs.10 per kg. will be given to those farmers who grow mixed variety of cocoon and produce more than 60 kg from 100 eggs and Rs.40 kg to those farmers who produce bivoltine variety. A provision of Rs.35 crore will be made for this purpose.

63. Power subsidy to silk reeling units: A subsidy of Rs. 1.50 per unit will be given for the electricity being consumed in 7,430 silk reeling units in the State.

64. For the reelers who repay their loan without delay, interest subsidy of 6 per cent will be provided on their working capital loan raised up to Rs. 1 lakh. Capital subsidy up to 25 per cent limited to Rs. 50,000 will be provided for purchase of reeling equipment.

65. With a view to improve the quality of silk cocoons and raw silk, it is proposed to earmark Rs.112 crore with central assistance for strengthening of beneficiary oriented schemes at the field level, in collaboration with the Central Silk Board.

66. **Rejuvenation of old silk factories :** Silk Weaving Factory at Mysore is completing 100 years in 2012. An amount of Rs.5 crore will be provided for incentive to workers, publicity of the products of the factory, Production of a documentary and for conducting cultural activities and Rs.6 crore will be provided to rejuvenate loom unit at Channapattana by providing infrastructure facility, and introducing new loom units with the assistance of expert institutions.

67. An assistance of Rs.2 crore will be provided to the Karnataka Silk Marketing Board.

Free electricity to agriculture

68. The scheme of free supply of electricity to the irrigation pumpsets up to 10 HP will be continued this year also, and for this purpose subsidy of Rs. 4600 crore will be provided to ESCOMs.

Co-operation

69. Rs.634 crore is provided for various activities of the co-operation Department.

70. The rate of interest on short-term crop loan up to Rs.3 lakh raised through co-operative institutions was reduced to 1 per cent during 2011-12. From 2012-13 the rate of interest will be reduced to zero per cent for short term crop loan up to Rs. one lakh.

71. Rs.300 crore is being provided for giving subsidy to co-operative institutions for lending to farmers.

72. Government provides 3 per cent interest subsidy on short term crop loan up to Rs. 50,000 taken from commercial banks. This crop loan limit will be raised to Rs. 1 lakh during 2012-13.

73. **Yashaswini Health Protection Scheme for co-operative farmers:** Yashaswini Trust may need to bear an expenditure of Rs.100 crore during 2012-13 ad there is a possibility of 82,000 members taking treatment during 2011-12. Therefore it is estimated that the State Government has to provide Rs.60 crore as grants. The remaining Rs.40 crore has to be contributed by the members.

74. **Interest at 4% to Self Help Groups:** It is proposed to continue the scheme of distributing loans through co-operative institutions at the rate of 4% interest rate to Self Help Groups and there is a plan to distribute Rs.750 crore during 2012-13.

75. **Construction of Additional Warehouses:** Karnataka Warehousing Corporation has taken up construction of 2 lakh ton capacity warehouses at a cost of Rs.100 crore during 2011-12. It is proposed to construct 1 lakh ton capacity warehouses with an investment of Rs.50 crore during 2012-13.

In addition to this, 1 lakh ton capacity will be created under public private partnership.

76. Kolar Chikkaballapura Co-operative Bank will be rejuvenated. Reserve Bank will be approached through NABARAD for issue of permit. State Government will provide the required financial assistance.

77. District Central Co-operative Bank will be started separately for Udupi district during 2012-13.

78. on the recommendations of Vaidyanathan Committee revival-package has been implemented in respect of short term Co-operative credit institutions in the State with an expenditure of Rs.643.29 crore. In accordance with the recommendations continuous efforts are being made to improve efficiency of these institutions in stages.

New Dimension to Agriculture Markets

79. In spite of increase in production in agriculture and allied sectors, financial condition of the farmers is weak due to lack of appropriate market facilities, lack of transparency in the marketing system, lack of direct linkages between the producers and the consumers, and non- remunerative prices in the absence of e-trading. In order remove this weakness and to strengthen the farmers permanently in the coming years, appropriate action plans have been formulated to rejuvenate the marketing system in the state. It is a matter of pride that these initiatives being made in our State are first of its kind in the Country.

80. Apart from providing necessary infrastructure for marketing of controlled produce under the Karnataka Agricultural Produce and Marketing (Control & Development) act 1966, scope will be provided for private markets, direct procurement centres, establishing farmer consumer market

centres, e-trading, establishment of exchange centres and agreement based marketing.

81. the Total size of the revolving fund is Rs.650 crore, which will be increased to Rs.1000 crore so that timely support can be provided to the farmers when prices in the market become low.

82. **Development of rural Markets under RIDF Scheme:** Rural markets will be provided with auction yards, warehouses, roads, underground drainage, retail shops, water facility and sanitation, solar lights and electricity.

83. **Technology Park :** A tur technology park in Gulbarga district, maize technology park in the 60 acre land of TAPCMS at Ranebennur, coconut technology park including coconut products research and development unit in Tiptur taluka in Tumkur district will be established. The Government will provide 20 per cent assistance under public private partnership.

Establishment of e-markets

84. National Commodity Exchange Centre 9NCDEX) was established in the year 2003. in this national lavel body, institutions like NABARD, LIC, nationalized banks and specialized institutions are stakeholders. This body is being managed by experts and facilitates technology based transparent market system, on line exchange yard, provide remunerative prices, and also plays an important role in controlling interference by the middlemen in respect of 36 commodities in the Country, which include 23 agricultural produces. There is a necessity extend the activities of this institution in our State.

85. As announced in 2010-11 Budget. Agriculture produce marketing centers, through NCDEX have been set up in some marketing yards. Encouraged by this success, farmers are requesting for extension of this facility in an upgraded form throughout the State. These demands of farmers and advice of experts have been considered. New agreements will be entered with NCDEX and other expert bodies for modernization of agriculture produce markets.

Enhancing the role of e-marketing

86. During 2012-13, e-tender system will be adopted in 50 APMC markets for selling 11 important produces. In the first stage, 11 main produces e.g. tur, dry coconut, turmeric, dry chillies, raisin, rice, arecanut, maize, groundnut, cotton and sunflower will be brought under this scheme. Starting with 20% of total produce in the State, the coverage will e extended gradually to 70%. (For details please see Annexure-1).

87. Grading : In the first stage, modern warehouses, cleaning and grading equipment and other value adding facilities wil be provided under PPP model in Raichur, Ranebennur, Bagalkot, Chamarajanagara, Shikaripur and Channarayapatna agriculture produce markets, based on the advice of transaction advisors approved by the State Government.

88. **Credit facility by Co-operative institutions for produce stored in warehouses:** This facility gives later date to get higher prices without selling it at lower prices immediately after harvest. There will be no need to make products physically available in the market yard if the quality of the products can be guaranteed. Such products can be marketed through online trading.

89. **Scheme implementation:** It is proposed to implement this scheme through other stakeholders like Agricultural Marketing Department, Agriculture Department, NCDEX and Spot Exchange. In order to monitor formulation of the plan and its implementation a high Power Committee will be constituted. An amount of Rs.10 crore will be provided for this scheme.

90. **Long term storage of produce:** New storage units at Dasanapura Market Committee land at Bangalore will be established on a pilot basis in the first phase to enable long term storage, improve shelf life and to promote export of food grains, fruits and vegetables produced in the State.

91. **Rating of markets:** Action will be taken to rate the markets in the State according to the infrastructure available in various agricultural markets, considering their working efficiency and availability of services, after a survey by a reputed and independent private institution. Such a system of ratings will help in identifying efficient markets at the national level, and also facilitate in initiating reforms for good marketing practices.

Importance to Water Resources Development

92. Resources will be mobilized to provide Rs.10,500 crores to water resources sector during 2012-13.

93. As this decade (2011-2012) has been declared as Irrigation Decade, suitable action will be taken to complete the irrigation projects which are in progress.

94. **Upper Krishna Project Stage-3:** Administrative approvak has been given to this scheme with an estimate of Rs.17,207 crore for utilizing the State share of 130 TMC of Krishna water to provide irrigation facility in 13.09 lakh acres in the districts of Bijapur, Bagalkot, Gulbarga, Yadagiri,

Raichur and Koppala which are frequently affected by drought. These schemes are expected to be completed in 7 years. Central assistance will be obtained for this scheme. Besides, investment will be mobilized from various sources for this project.

95. During the year Mulavada Lift Irrigation Scheme, Narayanapur Right Bank Extension Canal (after 95th KM), Chimmalgi lift Irrigation scheme, Mallabad scheme etc. will be commenced. Other Lift Irrigation schemes to be started include Nandavadagi in Lingasugur taluk of Raichur district, Thubachi Babaleshwara in Bijapur and Jamakhandi taluk and Budihaal in Muddebihal taluk.

96. **Yethina Hole Yojane for drinking water:** As thedistricts in the eastern part of State, such as Kolar, Chikkaballapura, Bangalore Rural, Tumkur and other districts are facing acute shortage of safe drinking water, a scheme of Yethina Hole Yojane has been prepared by the Government to provide drinking water to the people of this area. Feasibility report has already been prepared and a plan has been prepared to supply 24 TMC of water through construction of a small barrage at Yethina Hole and some other villages near Saklespur of Hassan District. As water is proposed to be stored within the villages, there is no fear pf inundation of forest areas, and nor is there ant threat to environment. An amount of Rs.400 crore will be provided for this project during the year 2012-13.

97. Besides, action has been initiated to prepare a detailed project report based on Shri Paramashivaiah Report to utilize surplus water from west-flowing rivers for drought affected regions. On the basis of the DPR, action will be taken during the year.

98. **Soubhagya Sanjeevini :** It is proposed to take up "Soubhagya Snajeevini" scheme to link west-flowing rivers. It will facilitate drinking water supply, irrigation, fishery, flood

control and power generation in the undivided district of Dakshina Kannada.

99. **Desilting of Tungabhadra Reservoir:** The water storage capacity of Tungabhadra reservoir has decreased because of siltation. Some specialized institutions have expressed willingness to take up pre-feasibility survey for desilting, along with removal of silt from the reservoir through dredging, which will be taken up on an experimental basis after preparing a proper action plan.

100. **Modernisation :** During 2012-13 work of Narayanapura Left Bank, Gondi, Thunga, Vijayanagara, Century Old Chamaraja, Mirley and Ramasamudra, Mandagere and Hemagiri, Devaraya- virija, Ramaswamy and Chikkadevaraya canals and Ulsooru, Ullahalli modernization works will be taken up.

101. **Modernisation of VC Branch Canal :** Modernisation of 500 km Vishweswaraiah Canal Network, Branch Canal, improvement of Sub Canal, modernization of 600 KM line canal of Cauvery Basin, filling of 4 tanks, rejuvenation of Arakavathy river and rejuvenation work of 100 tanks, these 7 projects will be taken up during this year.

102. 24,454 acres will be brought under irrigation under ongoing Yegachi project during this year.

103. It is targeted to bring additional 1,55,000 acres under irrigation under major and medium irrigation project of water Resources Department, to construct field channel for 1,00,000 acres and construction of field drainage canal in 2,00,000 acres and reclaiming 60,000 acres of marshy and saline land during 2012-13.

104. **To improve the service delivery to farmers, the following action will be taken.**

(a) Issue of soil health certificate in achcut area.

(b) Increase in efficiency of water rate collection by strengthening water consumer Co-operative societies. The water rate will be collected through Revenue Department and 70% of it will be given to water consumer Co-operative societies. This system is already in vogue in Bihar, Maharashtra and other States.

(c) A centre of excellence will be established under Integrated Water Resources Management (IWRM) with an objective too co-ordinate efforts for effective irrigation maintenance and to improve the services provided to the farmers emphasising on efficient water management from storage to maintenance.

105. Apart from this, the following projects will be completed and dedicated to the State during 2012-13 e.r., modernization of canals of Kattepura Anicut area, modernization of Kabini Right Bank Canal, 2nd Stage drinking-water works of Gulur, Hebbur and Honnavalli, Shiggavi Lift Irrigation, Souparnika Projects, Bennehalli-Honnu-Kolachi lift irrigation, Amarja Project, modernization of Bhadra Channel Project and Rajanahalli Lift Irrigation.

Increased Importance to Minor Irrigation

106. It is proposed to spend Rs.250 crore utilising the amount available under AIBP from Government of India and State Government share to implement about 176 schemes in DPAP taluks during 2012-13. Additional irrigation facility in new 15,000 hectares area, stabilization of irrigation potential in 11,100 hectare and 5,000 meters river bund protection work will be implemented during 2012-13.

107. A scheme was taken up to rejuvenate small irrigation tanks on a large scale during 2011-12. There is a need to restructure, and integrate this scheme with NREga. Rs. 150 crore will be provided for this scheme.

108. **Construction of Kindi Anicut and barrages in coastal districts :** Rs.50 crore will be provided in coastal districts during this year to construct Kindi anicut and barrages across rivers/ streams wherever necessary.

109. **Ground Water Control Authority :** Our Government have already decided to establish a Ground Water Control Authority, considering the importance of ground water in drinking water and irrigation sectors. The entire responsibility of management of ground water will be entrusted to Minor Irrigation Department.

110. **Rejuvenation of tanks under Farmers Community Co-operation:** Under the Karnataka Community based tank maintenance Scheme, Jala Samvardhana Yojane Sangha has been created in the year 2000 for sustainable and integrated development and management of tanks with a view to generate additional income to farmers. Jala Samvardhana Yojane Sangha has successfully created 3,126 sustainable tank maintenance institutions with a member strength of 11.6 lakh. 2,038 hectares of tank encroachment have been evicted through community participation. Rs.61 crore is spent on supplementary income generating activities for the benefit of 99,453 weaker section people below poverty line, and they have earned additional profit.

111. An expert agency has evaluated the scheme in two stages in 2008 and 2011, and recognized the invaluable experience and the expertise gained by the Jala Samvardhana Yojane Sangha in community based tank maintenance system and has found encouraging results. Though the grants provided to this scheme by the World Bank have ended in January 2012,

the State Government has provided Rs.120 crore to complete this scheme.

Hon'ble Speaker,

ರಾಜ್ಯಗಳುದಿಸಲಿ ರಾಜ್ಯಗಳಳಿಯಲಿ,
ಹಾರಲಿ ಗದ್ದುಗೆ, ಮುಕುಟಗಳು,
ಮುತ್ತಿಗೆ ಹಾಕಲಿ ಸೈನಿಕರೆಲ್ಲಾ.
ಬಿತ್ತುಳಿವುದನವ ಬಿಡುವುದೆ ಇಲ್ಲ.

Great poet Kuvempu has spoken in appreciation of the annadata Farmer

ಮಣ್ಣ ಮನುಜರು ನಾವೆಲ್ಲಾ
ಧ್ಯೇಯದಾರಿಗೆ ಇರದು ಅಡೆ-ತಡೆ ಭಯ
ನ್ಯಾಯನೀತಿಗೆ ಕಟ್ಟಿಟ್ಟಿದ್ದು ಜಯ
ಕರ್ಮಯೋಗಿಗೆ ದುಡಿಮೆ ಎಂಬುದೇ ಧ್ಯೇಯ

We all wish that our farmers get what they rightly deserve.

These lines of an unknown poet about the farmer are always to e remembered. I want to convey my Government's commitment for the security and welfare of the respectable farmers, and to make Agriculture a remunerative profession. I hope all these programmes mentioned in the Budget will help strengthening agricultural sector in a big way.

112. During 2012-13 Rs. 19660 crore is provided for agriculture and agriculture related allied activities.

113. This Agriculture Budget contains thinking on new dimensions for integrated development of farmers and other families engaged in agriculture and allied activities in our State. I seek your guidance. Co-operation, participation and support for this second effort which is unique in the Country.

Annexure - 1

Major Products and Market Yards

Sl. No.	Products	Name of the Marketing Committee	Production in the State (MTs)(in Lakhs)	Implementation of the scheme in the I Phase (2012-13)	Implementation of the scheme in the II Phase (2013-14)	Implementation of the scheme in the III Phase (2014-15)
1	Tur	Gulbarga, Bidar, Yadgir, Raichur, Sedam, Talikote	3.95	80%	85%	90%
2	Copra	Tiptur, Arasikere, Channarayapatna	4.5	20%	30%	50%
3	Turmeric	Chamarajanagar, Gundlupet, Kollegala, Mahalingapura, Athani, Jamakhandi, Kuduchi,	2.83	20%	30%	40%
4	Dry Chillies	Byadagi, Gadag	1.2	30%	40%	50%
5	Dry Grapes	Bijapur, Bagalkote	0.38	25%	40%	50%
6	Rice	Gangavathi, Karatagi, Sindhanur, Raichur, Mandya, T.Narasipura	22.75	25%	40%	50%
7	Arecanut	Shimoga, Sagara, Thirthahalli, Mangalore, Puttur, Sirsi	3.2	40%	50%	60%
8	Maize	Shimoga, Shikaripura, Chitradurga, Davangere, Ranibenuur, Haveri, Bagalkote	35	20%	25%	30%
9	Ground Nut	Chitradurga, Challakere, Hiriyur, Kottur, Ballary	4.8	20%	25%	30%
10	Cotton	Bailahongala, Soundatti, Ranibenuur, Haveri, Raichur, Hubli	11.5	20%	25%	30%
11	Sunflower	Chitradurga, Gadag, Ranibennur, Raichur	2.8	15%	20%	25%

Hon'ble Speaker,

1. Now I take up Part II General which includes sectors other than those directly related to agriculture and taxation proposals for 2012-13.

A New Dimension to Administration

2. Development is the 'Mantra' of our Government. As soon as I assumed office on 4th August 2011 as the Chief Minister I pledged to consolidate the achievements made so far and to give a new dimension to administration and provide more impetus to development.

3. The benefits of Government schemes should reach the beneficiaries in time. The benefits should reach the farthest person in the society. In addition to stepping up the pace of development it also has to be all inclusive. Our aim to achieve development centric and transparent administration with no scope for red-tapism. In order to achieve this objective a new approach to administration is necessary. Therefore the Karnataka Guarantee of Services to Citizens Act has been brought into force. With this the citizens would get better services and facilities. Henceforth no Government servant would adopt dilatory tactics with the people while rendering the services. It is mandatory to provide the services within the stipulated time. I would provide further details in the coming paragraphs.

4. Charges is a continuous process. Change is inevitable for progress and reforms. Therefore attempts have been made to give a new dimension to the administrative machinery to adopt a new path.

ಹೊಸ ಹಾದಿಯನು ಹಿಡಿದು ನಡೆಯಣ್ಣ, ಮುಂದೆ !
ಹೊಸ ಜೀವ, ಹೊಸ ಭಾವ, ಹೊಸ ವೇಗದಿಂದೆ.
ಜಗಕೊಂದು ಯುಗಕೊಂದು ಹೊಸ ಹೆಸರು ಬೇಕು :
ನಗೆಗೊಂದು, ಬಗೆಗೊಂದು, ಹೊಸ ಕುಸುರು ಬೇಕು :
ಹೊಸತನವೆ ಜೀವನದ ಪ್ರಗತಿಯ ರಹಸ್ಯ :
ಹೊಸತನವೆ ಮನುಜತೆಯ ಮೈಸಿರಿಯ ಲಾಸ್ಯ !

5. As stated by the famous poet Sri Gopalkrishna Adiga in the poem, our Government is making efforts to give a fresh approach and renewed pace in all fields, including administration and development.

6. Our main priority is to provide an equitable and non discriminatory administration. The government is making sincere efforts for welfare of all citizens treating them as one transcending regional feelings.

Macro Economic Situation

7. The overall macro economic situation during 2011-12 has been full of uncertainties and challenges. The optimism regarding strong growth in the national economy at the time of presentation of Budget 2011-12 did not materialize. At that stage global recovery was anticipated and the Indian economy was expected to return to the earlier growth trajectory. Industrial sector was regarding its momentum. Other than inflation, there was not much cause for concern.

8. However, the economic events have unfolded quire differently towards lower growth in the country. The national economy is expected to grow at 7 per cent only, much lower than the potential of 8 to 8.5 per cent. While some easing of the monetary policy may be expected during the year, it will take some time before the investment climate picks up again.

9. The revival of market facing investments will require strong and coordinated policy responses at national level. The State Government had expected strong policy initiatives from the Government of India to take the economy back to its high potential of India to take the economy back to its high potential growth level. I find that the Union budget has little to offer to spur investments.

10. For government facing investments at the state level, the State Government within its limited resources through this Budget will attempt to place emphasis on infrastructure investments.

State's Economy

11. 2011-12 has been a difficult year for the State's economy also. In addition to high inflation, tight monetary policy, contraction in fixed capital formation as proportion of GDP, and sharp economic slowdown witnessed at the national level, Karnataka's economy had to weather drought in large parts and ban on mining.

12. As a result of the extensive drought, agriculture sector is estimated to contract by 2.9 per cent during 2011-12 as compared to very strong growth of 13.3 per cent in the previous year. The growth in mining sector is also expected to be low at 1.6 per cent. The services sector, a strong aspect of Bangalore's economy, has done very well with growth of 10.6 per cent. Despite the drought and the mining ban, the state's economy is expected to grow by overall 6.4 per cent during 2011-12 in real terms.

13. Gross State Domestic Product at current prices is expected to grow at 14.9% and reach Rs.4,65,551 crore in 2011-12. The growth rates of agriculture, industry and services in nominal terms are expected to be 9.1 per cent, 11.5 per cent

and 18.5 per cent respectively. In real terms, these are likely to be minus 2.9 per cent with overall growth of 6.4 per cent.

14. The continuing economic slowdown may have adverse implications for the state's own revenues during the year, if the investment climate does not become positive again in near future.

Guarantee of Services

15. Karnataka Guarantee of Services to Services to Citizens Act, 2011 approved by this august House in the previous session reflects our strong commitment to ensure efficiency, transparency, timeliness and accountability in provision of basic services to the citizens. The current scope covers 151 services across 11 departments. The implementation has been launched on a pilot basis in 4 talukas, one per revenue division along with an office of BBMP. Commercial Tax Department has taken the initiative to implement it across the State from the beginning itself. So far about 87000 services requests have been received of which about 80 per cent have already been delivered much before the stipulated time. The implementation across the entire State and in all 11 departments will be rolled out from April 2nd 2012, ushering n a new culture of good governance.

Plan Performance during 2011-12

16. The State Plan size for 2011-12 was set at Rs. 38070 crore. During the course of the year, there were demands for additional resources in some sectors, while some others have potential savings due to slow implementation. This august House had approved additional plan funding of Rs. 4944 crore in first two Supplementary Estimates. The Government will be seeking approval for the third and final installment of the Supplementary Estimates involving plan funding of Rs. 2327 crore. These additional requirements have been met from

additional resources mobilized during the year through better tax efforts and through savings under certain schemes.

17. The plan expenditure from the State Budget up to February 2012 has been 20 per cent higher than the expenditure in the same period during 2010-11. Overall, the Government expects to achieve the State Plan target fully, which will be 22 per cent higher than the achievement of Rs.31154 crore during 2010-11.

12th Five Year Plan

18. The 12th Five Year Plan commencing from April 2012 is expected to define the overall contours of Karnataka's development agenda during the next 5 years. It will have to factor in the broad national agreement on objectives and challenges for 'faster, more inclusive and environmentally sustainable growth'. Detailed papers for key sectors are being prepared by the State Planning Board through sixteen Working Groups with experts drawn from both within and outside the government to provide inputs for the 12th Plan.

19. The investment focus during the 11th Plan was on five sectors namely Irrigation, Transport, Energy, Urban Development and Education accounting for 59 per cent of the total State Plan outlay. The priorities for the 12th Plan will be finalized after considering recommendations of the Working Groups and consultations with the stakeholders.

20. As compared to the approved outlay of Rs. 101664 crore for the 11th Plan ending in March 2012, the likely achievement of Rs. 114152 crore is estimated to be 112 percent, in spits of the adverse impact of the economic slowdown during 2008-09 and 2009-10. With this achievement, Karnataka continues to maintain one of the higher per capita plan expenditure.

21. For the 12th Plan beginning from 2012-13, the estimated resources are Rs. 195816 Crore at 2011-12 prices. As compared to the achievement of the 11th Plan, the outlay for the 12th Five Year Plan is expected to be 33 per cent higher at 2006-07 prices.

Focus of Budget 12-13

22. What are my priorities and how do I propose to achieve these?

23. It is only through growth that we can achieve increase in per capita income.

24. The national picture ad it emerged in the union budget is not encouraging. The growth rate of 6.9% during 2011-12 would go up to only 7.6% during 2012-13 as against potential of 8.5%. I have already outlined my priorities and strategy about Agriculture and allied activities.

25. Despite the global and national challenges, I propose through this budget to not only achieve good growth but inclusive growth. We will achieve this through various interventions. These will cover strengthening areas of human capital through investments in education, health, drinking water supply and social welfare. We will also strengthen physical capital through infrastructure investments in the areas of energy, roads, ports, housing, skill development, business and industrial development. At the same time, we will ensure social protection of weaker sections and their inclusion in the overall growth process. Our governance mechanisms need to be strengthened for being citizen friendly, quick, and accountable. These will be done through capacity building for government staff and use of information technology.

26. The government budgetary outlay is not adequate for the gigantic tasks at hand. We also need to leverage private capital in the form of PPP. We have made some progress in this form of investment. Karnataka has a large reach of commercial banks and branches. We would like to utilise the commercial banking channel by constant review and monitoring of the banking sector through the State Level Bankers Committee (SLBC) forum. At the same time cheaper credit through multilateral financial agencies as in the past will also be tapped.

Budget Size and State Plan 12-13

27. I am happy to announce that this budget facilitates a total expenditure of Rs. 102742 crore on various development activities and regulatory functions of the Government, which is an increase of 20.42 per cent over the budget of Rs.85319 crore in 2011-12. This is the first time the budget size has exceeded Rs. 1 lakh crore. The Government is committed to ensure that this large outlay is well utilized for overall development of the State and its people.

28. Major sector-wise allocations are shown at Annexure-1.

29. The State plan outlay for 2012-13 has been kept at Rs.42030 crore. This will be 10.4 per cent larger than the outlay for the current financial year.

Energy

30. Ensuring adequate supply of electricity at affordable price is a major challenge facing the State Government for facilitating overall economic development. Electricity consumption has been increasing very significantly in recent years putting pressure on the gap between demand and supply of electricity.

31. Peak demand during this year has already reached 8506 MW as compared to the highest peak demand of 7815 MW last year. Similarly highest consumption recorded this year in a day is 181 MU as compared to 172 MU last year.

32. The electricity utilities have placed orders for purchase of 780 MW of round the clock power and 300 MW of peak power to meet the increase in demand. In addition, the State Government has directed all the generators within the State to provide power to the state grid, facilitating availability of another 400 MW. Advance action has been taken to procure power for 2012-13 by placing orders for purchase of 1280 MW till 15th June 2013.

33. During the past four years the government has provided equity support of Rs. 3500 crore to the electricity utilities for augmenting generation, transmission and distribution capacities. This support is in contrast to nil equity support during the previous 13 years. The lack of support from the government in those years contributed significantly to widening of the gap between demand and supply of electricity.

34. In spite of our best efforts in establishing new generation capacity, the major constraints faced by State Government are in getting the required coal linkages and environmental clearances for our plants from the Central Government. The matter has been taken up time and again with the Central Government but nothing much has been received except advice to wait.

35. Additional generation capacity 500 MV second unit of BTPS and 600 MW second unit of UPCL is expected to be added during 2012-13. The implementation of 3rd unit of 500 MW at Bellary, 2 units of 800 MV each at Yeramarus, and 1 unit of 800 MW at Edlapur are underway. Works for 1500 MW Chattisgarh Thermal Power Plant, 700 MW Gas Plant at

Bidadi, both being set up by KPC, and for 4000 MW Thermal Plant by NTPC are expected to commence during 2012-13.

36. Niranthara Jyothi Project with a total outlay of Rs.2182 crore for providing 24 hour power supply to rural households is expected to be completed during 2012-13. During 2012-13, establishment of 83 new sub-stations along with associated transmission lines and augmenting capacity of 117 existing sub-stations at a total outlay of Rs.610 crore have been envisaged.

37. During 2012-13, electric supply to new 5000 drinking water supply installations and 50,000 irrigation pumpsets has been planned.

38. The Government has released Rs.100 crore for augmenting infrastructure requirement for regularization of irrigation pump sets. A similar support will be provided to ESCOMS during 2012-13.

39. Good progress has been achieved in promoting renewable energy with addition of 441 MW in 2011-12 itself. A Green Energy Fund will be set up by levying surcharge of 5 paise per unit on industrial and commercial consumers. The surcharge will be complemented by support of Rs.25 crore from the State Budget during 2012-13. The resources available in the Fund will be utilized to encourage rooftop grip connected solar projects.

40. For demand side management, energy conservation building code has been formulated, which will be made mandatory in a gradual manner across different types of buildings. The pilot project at Doddaballapura Taluk for replacement of existing pumpsets by energy efficient star rated pump sets has given encouraging results, reporting energy savings of about 25 per cent. This pilot will be expanded over a wider implementation area.

41. Total outlay of Rs. 10289 crore for the energy sector during 2012-13 is envisaged in the Budget.

Roads

42. Total outlay of Rs.4380 crore, the highest so far in any year, has been provided for improvements, renewal and maintenance of state highways, major district roads and rural and city roads during 2012-13. This outlay will be complemented by private investments through Public Private Partnerships. The outlay for maintenance has been increased significantly to Rs.1215 crore with an increase of 32 per cent.

43. The Government has formulated State Highway Development Programme (SHDP) involving strengthening of 4132 km and renewal of 3122 km road length. The total outlay of SHDP is Rs.2797 crore. The bids for Phase-1 of SHDP with outlay of around Rs.1000 crore covering the roads between district to district and district to taluka headquarters in the same district will be called within April 2012. A provision of Rs.500 crore is being made for SHDP in 2012-13.

44. The Government is also giving high priority to improvement and maintenance of major district roads. During 2011-12, 2181 new works with total outlay of Rs.2153 crore have been approved. Never before was such a large volume of works approved in Appendix E. These works will be taken up during 2012-13.

45. The contracts for State Highway Improvement Projects with total length of 885 km with loan assistance from World Bank and Asian Development Bank have been awarded during 2011-12. It is expected that these two projects can be completed over the next 2.5 years. In addition, planning and procurement process for 562 km road improvement through annuity mode of financing is underway.

46. Karnataka Road Development Corporation Limited has taken up improvement of 630 km of road length at an estimated cost of Rs.1816 crore through a mix of annuity, BOT-VGF mode of PPP. In addition, procurement process for maintenance, operation and toll of 1191 km of State Highways is planned to be completed within 2012-13. Projects for bypass roads for Ramanagara and Channapatna towns on PPP basis are being formulated.

47. A package of total Rs. 75 crore will be provided for improvement of roads in Kodagu district out of the allocations made for Public Works and Rural Development and Panchayati Raj departments.

48. Budget of Public Works Department has been restructured by consolidating schemes with smaller outlays into two br5oad programmes focusing on state highways and major district roads.

Infrastructure

49. Government has accorded a very high priority to facilitate private capital and efficiency in infrastructure sector. An Infrastructure Bill to facilitate more projects on Public Private Partnership basis through transparent and accountable procedures having statutory backing will be brought before the Legislature.

50. A comprehensive Karnataka Strategic Infrastructure Investment Plan with a large bouquet of investment ready infrastructure projects in 12 sectors is being prepared with assistance of competent consultants and transaction advisors. The Government is also proactively building capacity of its officers in economic and social infrastructure sectors to identify, design, develop and monitor the projects through the PPP route.

51. Bangalore International Airport developed on PPP model has undertaken the expansion of Terminal I at a cost of Rs. 1,479 crore. The expansion will be completed by December 2012 and the airport will be able to handle 17.5 million passengers per annum as compared to existing capacity of 11 million.

52. Shimoga and Gulbarga airports undertaken on PPP made operational during this fiscal year. The expansion of Hubli and Belgaum airports will also be undertaken. The Airport Authority of India is expected to invest Rs.150 crore on Hubli and Belgaum airports.

53. The work of laying natural gas pipeline from Dhabol to Bangalore by Gas Authority of India Ltd (GAIL) is expected to be completed in this fiscal year. A Joint Venture Company with GAIL and Karnataka State Industrial Infrastructure & Development Corporation has been formed to provide clean fuel for power plants, transport vehicles, industries and households in and around Bangalore.

54. Short listing of bidders and preparation of Detailed Project Report for development of a Sea Port at Tadadi on PPP mode at an estimated cost of Rs.3,000 crore with handling capacity of 35 million tons per year in Phase-I has been completed. The project will be taken forward with the help of Central Government.

55. Work on the sea coast management project at Ullal at a cost of Rs.170 crore funded with load assistance from Asian Development Bank is expected to commence during 2012-13.

56. Hinterland connectivity is being ensured by taking up Hubli-Ankola Railway Line project further. Indian Institute of Science has prepared Environment Impact Mitigation Report. The Ministry of Environment & Forest and Central

Working Committee of Supreme Court of India will be requested to give environmental clearance so that the project can be taken forward. Development of road network to connect Karwar and Tadadi port will also be taken up.

57. The State Government has proposed three new railway projects, namely Gadag-Wadi, Gadag Haveri and Srinivasapura – Madanapalle under cost sharing arrangements with Ministry of Railways. 2,293 acres of land has been handed over to the Railways in a record time of six months for smooth construction of the projects. During 2012-13, the railway lines between Kadur and Chickmagalur, Ramanagara to Mandya rail line doubling, Shravanabelagola to Hirisave and Nelamangala to Soluru and planned to be completed. Rs.445 crore has been earmarked in the state budget for implementation of the projects.

58. Design process for the Convention Center at Devanahalli at an estimated investment of Rs.250 crore is planned to be completed within the next six months.Work on the project under EPC contract is expected to commence within 2012-13.

Urban Development

59. With acceleration of the demographic shift towards urban habitations, orderly and well planned urban development is critical for overall economic development of the state. Total outlay of Rs.8797 crore has been provided for urban development.

60. Chief Minister's Nagarothana Yojane (CMSMTDP) taken up with an outlay of Rs.1454 crore in all cities and towns has been a remarkable success in this endeavor with a turn-around in the municipal infrastructure conditions. Learnings from this project will be used to further improve the choice of projects and implementation mechanism to make the

programme more effective. Phase II of this programme focusing on large infrastructure projects for water supply and UGD alone with a total outlay of Rs.1591 crore will be launched during 2012-13 and will be completed in 3 years.

61. A project for providing water supply and sanitation in 74 towns not covered so far under any major project will be launched by leveraging their resources to mobilize loans from the institutions and financial markets.

62. Bulk water supply for Mangalore city has been augmented under ADB assisted KUDCEM project. The distribution network continues to be inadequate. The current intermittent water supply system will be converted into 24 x 7 system through PPP mode at total cost of Rs 146 Crore. The work is planned to be commenced within 2012-13.

63. The pilot project of 24 x 7 water supply system in demonstration zones of Hubli-Dharwad, Belgaum and Gulbarga will be expanded to entire area of these 3 cities in PPP mode at total project cost of Rs. 1700 Crore. For this purpose, the proposal has been recommended by the Central Government to the World Bank for load assistance. Tendering process will start during 2012-13 by floating the pre qualification tender.

64. A master plan to cover all urban areas within the next 5 years for adequate water supply with be prepared. The role of KUMS&DB will be made more focused as a bulk water transmission entity for all urban areas through suitable legal, administrative and financial measures. Role of the urban local bodies in water distribution will be made clearer in line with the 74th Constitutional Amendment. Necessary steps will be taken to ensure that their technical and managerial capacity is accordingly enhanced.

65. Towards the goal of more transparent and accountable administration, Ward Committee and Area Sabha will be operationalised in all the City Corporations during this year.

66. The state will actively participate in the National Livelihood Mission of the Central Government and also Rajiv Awas Yojane (RAY) to meet the needs of the urban poor. In order to provide an equitable right to livelihood to the Street Vendors, a Bill in line with the National Policy will be introduced in this august House.

67. Assistance will be provided for setting up Auto-Nagara in Mysore through PPP.

68. A grant of Rs 2 crores will be provided to the Hawkers (mobile small traders) Cooperative Society in Mysore city.

69. 13th Finance Commission Performance Grants of Rs.172 Crore will be provided as incentives to Urban Local Bodies. Suitable guidelines will be formulated to assess the performance in an objective manner.

Development of Bangalore

70. Metro Rail has become a reality in Bangalore with inauguration of 6.5 km Reach-1 from Baiyappanahalli to Mahatma Gandhi Road. Within the next 9 months opening of another 10.4 km is planned. The entire Phase 1 is expected to be completed by December 2013. An outlay of Rs.500 crore has been made for the metro project.

71. The State Government has approved the Phase-2 consisting of 4 extension lines and 2 new lines with a total length of 72 km at a total cost of Rs.26405 crore. The 4 extension lines will give the much needed last mile connectivity to the commuters. The two new lines traversing

through some of the densest and traffic congested. areas of Bangalore are expected to provide connectivity to the Information Technology industry. The Government of India has been requested to participate and part-finance the Phase-2 as has been done for Phase-1. The work on Phase-2 is planned to commence during 2012-13 for completion by 2017-18.

72. BBMP will take up five important signal free corridor projects with a total length of 51.5 km during the year 2012-13 at an estimated cost of Rs.426 crore to ease traffic congestion. In addition, important roads will be taken up on Tendersure design norms at a total outlay of Rs.200 crore. Construction of 8 parking complexes and solid waste management infrastructure project both at a cost of Rs.200 crore each are planned to be started during 2012-13. Sixteen methane generation projects by using wet solid waste will be taken up through PPP mode.

73. Total financial support of Rs.1000 crore will be provided to BBMP for financing major selected projects including road, parking and solid waste management infrastructure during 2012-13.

74. Cauvery Water Supply Scheme– Stage IV– Phase II is likely to be completed by September 2012 bringing additional 500 MLD water to the city and thereby giving much needed relief to the outer areas. The implementation of projects for unaccounted water, UGD systems, and treatment plants is planned to be stepped up. Allocation of Rs. 1000 crore for BWSSB has been made.

75. The Government will come out with a policy to facilitate vertical of horizontal development in Bangalore.

76. BDA has planned to commence development of Kempegowda Layout, improvement of outer ring road for seamless connectivity and construction of elevated roads.

Project preparation and land acquisition for Peripheral Ring Road are also planned to be taken up during 2012-13.

77. The Government is deeply conscious of the need to preserve lakes and water bodies. A budget allocation of Rs.50 crore to be complemented by an equal amount by BDA BBMP will be provided during 2012-13 to protect, restore and rejuvenated lakes in Bangalore.

78. An overall outlay of Rs.6895 Crore will be funded for various infrastructure projects and works in Bangalore taken up by various agencies.

Rural Development and Panchayat Raj

79. Total outlay for rural development including grants from Government of India during 2012-13 has been set at Rs.6771 crore.

80. The focus during 2011-12 which is proposed to be continued during 2012-13 has been on ensuring adequate safe drinking water, employment generation and sanitation. During 2011-12, it is expected that completion of water supply schemes in 6321 villages, generation of 447 lakh mandays, total sanitation benefits to 3,69,000 families, and construction of 2981 km of rural roads will be achieved.

81. Additional 1000 villages will be taken up under the fifth phase of Suvarna Gramodaya Yojane in addition to completion of all villages approved up to the fourth phase. An outlay of Rs.400 crore is being provided for this initiative.

82. Development of 20 km road per rural constituency will be completed during 2012-13. Development projects for another 30 km of rural roads per constituency will be launched during 2012-13.

83. Construction of office buildings for 282 Gram Panchayats without their own buildings will be taken up during 2012-13 at a cost of Rs.20 lakh per building by utilizing 3th Finance Commission grants.

84. Untied grants to Grama Panchayats with population of above 8000 will be increased to Rs 10 lakh per year. Untied grants of Rs. 2 crore to each Zilla Taluk Panchayat and Rs. 1 Crore to Taluk Panchayat will be provided.

85. 13th Finance Commission Performance Grants of Rs. 390 crore will be provided as incentives to PRIs. Suitable guidelines will be formulated to assess the performance in an objective manner.

86. An allocation of Rs.10 crore would be provided to monitor on-line progress and implementation of all the development works replicating the pilot project successfully implemented in Raichur district through GIS application.

87. Computer systems and skills at Grama Panchayats will be strengthened by utilizing the 13th Finance Commission grants to enable them for implementation of Karnataka Guarantee of Services to Citizen Act. Over the Counter Services like issue of RTC copies will also be enabled at Grama Panchayat level.

Area Development

88. The Government is committed to seeking special status for Hyderabad Karnataka Region on the lines of Article 371-D of the Constitution. An Outlay of Rs.2680 crore is being provided for Special Development Programme during 2012-13 for development of backward areas in the state. The implementation strategy for this programme will be refined to make the programme more effective. Devadurga Taluk has a very high incidence of malnutrition in children and very poor

special indices. Special development package for this taluka will be taken up.

89. Rs.300 crore has been provided for Karnataka Legislators' Local Area Development Scheme. A web-based MIS has been developed for effective monitoring of the scheme.

90. A total outlay of Rs.125 crore is being provided for Hyderabad Karnataka Development Board, Malnad Development Board, Bayaluseeme Development Board and Karavali Development Pradhikara.

Education

91. Within one decade, Karnataka has by and large reached 100% access for primary education moving from a situation of children without schools to schools without children. The coming decade will focus on quality rather than quantitative aspects.

92. Karnataka State Quality Assessment & Accreditation Council will function as independent entity to assess the quality of learning at school education stage. Through State Institute for School Leadership Education Planning and Management (SISLEP) established at Dharwad, it is proposed to provide administrative training and enhance leadership skills of educational functionaries working at school, block and district levels.

93. The Government will be implementing the Right to Education Act from the year 2012-13, and seeks full Co-operation from the privately managed schools.

94. The State Government has decided to meet a longstanding demand of the privately managed schools. Schools and PU colleges started up to 1994-95 and meeting the norms will be provided grant in aid.

95. New text books containing new curriculum and syllabi based on ten core elements specified in NCF-2005 will be introduced for V and VII standards in the academic year 2012-13. The state will adopt text books prepared by NCERT for the Science combination at Plus 2 stage from 2012-13.

96. Three SSLC toppers from Government high schools in each block will be given computers. Similarly, the talent of children in the areas of sports and cultural activities will be recognized and awarded.

97. Assistance for Bharat Scouts and Guides is being enhanced to Rs.2 crore.

Higher Education

98. A long term integrated policy on Higher Education is contemplated and to transform the State as Knowledge Capital of India as well as global centre of educational excellence. The policy will be developed with assistance of Karnataka Knowledge Commission and Higher Education Council.

99. In order to improve the administrative and academic quality in higher education, Quality Cells will be established in the Head Office and in all colleges. Capacity Building cell would be set up to enhance capacity of faculty members towards providing good quality teaching to students.

100. New need based courses and combinations will be started and unnecessary courses and combinations will be removed.

101. Janapada University is being provided an allocation of Rs. 7.5 crore.

102. Jain Vidya Peetha will be established in Mangalore University. Asssistance of Rs.1 Crore will be provided for this purpose.

Health

103. Provision of comprehensive preventive, promotive, curative and rehabilitative health care to the people of the State is one of the priority areas of the Government.

104. The implementation of innovative programmes like "Madilu", "Prasoothi Araike", "Thayi Bhagya" has helped in reducing Infant Mortality Rate to 38 per thousand live births and Maternal Mortality Ratio to 178 per one lakh live births. The national averages for these parameters are 47 and 212 respectively.

105. Infant Mortality Rate is a very sensitive indicator which reflects on the socio economic development of people of a particular geographic region. For accurate reporting Rs.500 per case will be provided to ASHA workers.

106. In order to mitigate the problem of iron and iodine deficiency, pregnant women and lactating mothers would be provided with free supply of double fortified salt through the public distribution system. In all the Food and Nutrition Programmes of the State Government like ICDS, Mid-Day meals in the schools, double fortified salt will be used.

107. The incidence of Vector Borne Diseases like Malaria, Dengue, Chickangunya has declined considerably compared to the previous year. Mo deaths were reported in the State during the calendar year 2011 due to Malaria.

108. The Vajpayee Arogyashree Scheme which is being implemented in 13 districts of Gulbarga and Belgaum revenue divisions has received wide appreciation from the general public. So far treatment at a cost of Rs. 102 crore has been provided to beneficiaries. During 2012-13, the scheme will be extended to other two revenue divisions, thus covering the entire state.

109. A Health Information Help Line will be established during 2012-13. Any person who desires to seek medical advice or any health related information can contact the help line through a toll free telephone number.

110. A legislation will be enacted making it mandatory for the MBBS undergraduates and post-graduates to serve one year in rural areas immediately after successful completion of the Course. Only thereafter they will be made eligible for permanent registration with the Karnataka Medical Council.

111. It is proposed to hike penalty rates for MBBS and Post-graduate doctors who avail concessional seats in Government Colleges and Government seats in private colleges but opt not to serve the Government after successful completion of the course as stipulated in the relevant rules.

112. Ayush units in all taluk hospitals will be established in a phased manner. 15 such hospitals would be started during the year 2012-13. One time investment incentive will be provided to the new units set up for production of Ayush medicines.

113. An exclusive policy for promotion of pharmaceutical sector in a holistic way will be formulated.

114. Around 65,000 people living with HIV are availing free ART medical services every month. Many of these people, not being able to bear the travel costs do not avail these facilities, graduating to a critical state of AIDS. The State Government will bear their travel costs.

115. Under NACO's guidance, global agencies had undertaken the 'Link Worker Scheme' in thirteen districts to strengthen care and support system. This programme ends in March, 2012. The State Government will support the programme till NACO takes over in a phased manner.

116. The outlay for Health and Family Welfare is being increased to Rs.3391 crore.

Medical Education

117. The Government has sought approval from the Government of India for increasing intake in Government Medical Colleges. Upgradation of identified state autonomous institutions to national institutes has also been requested. The Government is hopeful of receiving approvals during 2012-13. The state share for upgradation of infrastructure and other costs in these colleges and institutes will be provided.

118. A full fledged unit of Sri Jayadeva Institute of Cardiology will be set up in Mysore. Rs.5 Crore is being provided to commence the work.

Skill Development and Labour

119. State Government has set a target of providing skill training to 4.5 lakh unemployed youth during 2012-13 to make them productive and employable through Private-Public participative strategy.

120. The high-tech multi-skill development centers being set up at Bangalore and Gulbarga at a cost of Rs.84 crore with technical support by GIZ-IS, a German Government agency, and part financing from the Government of India will be made fully operational during 2012-13. Request will be made to the Government of India and GIZ-IS to approve and part finance two more centers for Karnataka at Belgaum and Mangalore.

121. Government Tool Room and Training Centers with annual intake of 1062 trainees play an important role in providing highly skilled manpower for the manufacturing industries in the state. Up-gradation of infrastructure and installation of state of art machinery and equipment in 17

Centers at a cost of over Rs.80 crore will be completed in 2012-13.

122. The pension benefits under the NPS-Lite Swavalamban will be extended to another 32 occupational groups of unorganized workers such as fishermen, beedi workers, sanitary workers, barbers, security guards, street vendors, sericulture workers and others, in addition to the existiong 7 categories.

123. Free insurance benefits, covering natural and accidental deaths, permanent disability due to accident and educational scholarships will be provided to 20 lakh unorganized workers under Janashree Bima Yojane in association with LIC. Government will bear each beneficiary's share of Rs.100 towards the premium. To implement the said scheme Rs. 20 crore will be provided.

124. The services under 10 major Labour Legislations enforced by Labour and Factories and Boilers Departments will be made available online to reduce the time, money and efforts of citizen to avail them. Rs.5 crore is allocated to implement this 'Karmika' computerization project.

125. Total outlay of Rs. 554 crore is being provided for skill development and labour welfare.

Social Welfare

126. Total outlay for Special Component plan and Tribal Sub-Plan has been increased to Rs.7200 crore. Within this outlay, Pooled Funds placed at the disposal of Social Welfare Department have been increased to Rs.1250 crore.

127. Loans upto Rs.25000 given for agriculture and related activities by Scheduled Caste Development Corporation and Scheduled Tribe Development Corporation upto 2005-06 and remaining outstanding till now will be waived along with

interest. For the loans given for non-agricultural purposes upto 2005-06, interest will be waived provided the outstanding principal is paid within one year.

128. Monetary limit for purchase of land for SC and ST beneficiaries will be increased to RS.5 lakh.

129. Eight Atal Bihari Vajapayee Model Schools, two each in a revenue division, will be started at a cost of Rs. 10 crore per school for education of students belonging to scheduled castes and scheduled tribes.

130. For comprehensive development of Safai Karmacharis a Safai Karmachari Commission will be constituted.

131. An expert group will be formed to give a report within six months for improving performance of various development corporations under Social Welfare Department and for enhancing effectiveness of Government schemes and programmes for welfare of Scheduled Castes, Scheduled Tribes and Backward Classes.

132. Grants for development of Scheduled Castes and Tribes: A sum of Rs 20 crores will be provided for community welfare and educational infrastructure facilities of the Gurupeethas of Shri Chalvadi, Shri Adijambava, Shri Maharishi Valmiki, Shri Madar Chennaih, Shri Siddarameshwara Swami Bhovi, Shri Keteshwara Medar etc.

Backward Classes Development

133. Total outlay for welfare of backward classes has been increased to Rs.1000 crore for 2012-13 from Rs. 760 crore in 2011-12. This is the first time that such a large allocation is being made for the welfare of backward classes.

134. Rs.95 crore will be provided for Ganga Kalyana Scheme for Backward Classes. Focus will be on electrification of 7590 borewells already drilled.

135. 80 Backward Class Hostels will be completed during the year with an investment of Rs.80 crore.

136. 50 new hostels with strength of 100 each will be started and capacity of existing hostels will be increased for another 5000 students. With this measure, additional facilities for total 10000 students will be created.

137. Provision of construction of Morarji Desai Residential (MDR) Schools already sanctioned for Backward Classes will be increased to Rs.100 crore to complete 35 ongoing works and to take up 15 new woks in respect of the sanctioned MDRs.

138. Four Atal Bihari Vajapayee Model Schools, one each in a revenue division, will be started for education of students belonging to backward classes.

139. Annual scholarships to Backward Classes Pre-Matric Hostels has been enhanced from Rs. 75 to RS. 250 for 5th to 7th standards and from Rs. 100 to Rs. 500 for 8th to 10th standards. For girl students it has been enhanced from RS. 100 to Rs. 600. For availing this scholarship the annual family income ceiling has been prescribed at Rs. 44,500.

140. Grants for Backward classes: A grant of Rs 75 crores will be provided for special development and for educational infrastructural facilities of the Backward community Gurupeethas of Kammar, Savitha Samaj, Ganiga Samaj, Madivala Samaj (Agasa), Nekar, Kumbar, Badagi, Vishwakarma. Darji, Kuruba, Uppara, Balaji (Kaiwara Shri Tatiah Kshetra), Devanga, Vahnikula, Vemanna (Reddy) Samsthan, Arya Idiga, Raju Kshatriya, Maratha Kshatriya, Togadveera, Padmasali, Gangamatastaru, Kunchitiga, Helava,

Yadava (Golla) etc. (For details of grants, please see Annexure-2).

141. Another Rs.50 Crore will be utilized for improving infrastructure in the colonies of nomadic and semi-nomadic tribes.

142. A sum of Rs. 50 crores will be provided for reimbursement of fees of Backward Classs students.

143. A sum of Rs. 50 crores has been earmarked for Sangolli Rayanna Foundation.

Minorities Welfare

144. Total provision of Rs.235 Crore has been made for welfare activities of Minorities.

145. Rs.50 Crore is being provided specifically for promotion of welfare activities of Christians.

146. For improving infrastructure at pilgrimage places relevant for minorities Rs.5 Crore provision has been made.

147. For Shadi Mahal and Community Halls Rs.15 Crore, for Morarji Desai Residential School buildings Rs.55 Crore, for Skill Development Rs. 10 Crore will be provided.

148. Rs. 10 crore will be provided during 2012-13 for construction of Haz Ghar.

Women and Child Development

149. Gender Budget with a total outlay of Rs.38845 crore is being presented as a part of the overall budget. This outlay indicates direct and indirect benefits envisaged for development of women during 2012-13.

150. Provision of Rs. 500 crore has been made for implementation of Bhagyalakshmi scheme.

151. Nutrition expenses for children in Anganawadi centers are proposed to be increased by 15 per cent from April 2012. In addition, specific administrative efforts will be made to ensure proper and efficient utilization of the outlay of Rs.795 crore for the nutrition programme.

152. Provisions of Rs.75 crore for construction of 1795 new buildings for existing anganwadi centers and Rs.15 crore for maintenance of centers have been made.

153. I am happy to announce that more that 1 lakh Anganawadi workers and helpers have been covered under NPS-Life scheme providing them the much needed social security cover. The State Government will be providing Rs.16.5 crore during 2012-13 as its co-contribution.

154. A job placement cell for physically challenged persons will be set up.

155. Allocation of Rs.8 crore has been made for providing assistance to NGOs running special schools for physically challenged children.

156. A Grant of Rs. 50 lakhs will be provided to service oriented Sumangli Sewashrama Bangalore which looks after women and orphan care.

157. Allocation for activities of Bala Bhawan is being increased to Rs.5 crore. Out of this allocation, Rs. 3 crore will be provided for district level activities.

158. Allocation of Rs.12.5 crore for promoting activities of Stree Shakti Groups including facility of mobile vans for sale of their products will be provided.

159. A scheme for self employment opportunities for transgender persons will be started.

Social Security Pensions

160. Social Security Pensions for eligible persons in the age group of 65 to 80 years are proposed to be increased to Rs. 500 per month from April 2012 onwards. This increase will benefit almost 30 lakh beneficiaries. Total outlay of Rs.2310 crore has been made for this purpose.

161. During 2011-12, the long overdue exercise of physical verification of social security pensioners was undertaken. Over 8 lakh cases of duplicate, non-existent and ineligible pensioners have been found and suspended from the disbursement.

Housing

162. Total Outlay of Rs. 1439 crore is being provided of Housing sector.

163. Subsidy under the Housing Scheme in the state will be increased from Rs. 50,000 to Rs 75,000 and the per unit cost for house construction will be enhanced to Rs. 1 lakh.

164. The aforesaid facility will be applicable to beneficiaries who commence construction in the year 2012-13.

165. A provision of Rs. 75 crores has been made to provide infrastructural facilities in the slum areas in the state in this year.

166. Karnataka Housing Board by implementing the housing projects is providing affordable housing to the low, middle and high income groups in urban areas all over Karnataka. In order to further increase the housing stock and also to explore the possibilities of private investment in Affordable Housing segment, Government propose to make suitable changes in the Joint Venture Policy of KHB so that private investors can be assisted to procure land for building

affordable houses in collaboration with Karnataka Housing Board.

167. Government is keen to make Karnataka slum free. In this direction we have also announced Karnataka Slum Re-Development policy for the State which will enable regularization and redevelopment of slums. KSDB in the year 2011-12 have completed 24562 number of houses under IHSDP and BSIP. Apart from this 17183 houses are under progress which will be completed by December 2012.

168. For the first time the Government has provide opportunity for constructing houses by beneficiaries on their own agricultural/cultivable lands who do not have their own house-sites. For this purpose the conversion powers have been given to the Tahsildars.

169. For the low income group, Government has distributed 1,500 plots at affordable prices in four places around Bangalore under a new scheme-"Nanna Mane Yojane" (Affordable Housing Scheme). In the current financial year it is proposed to extend this scheme to a few more places.

Industrial Development

170. The Government is committed to make Karnataka the preferred destination for investments in the country. The aim is to double Karnataka's GSDP and provide employment to additional 10 lakh people. Out of 389 MOUs signed in the Global Investors Meet 2010 with investment commitment of Rs. 3.92 lakh crore, 36 projects have been completed already, and 287 are in various stages of completion.

171. The next Global investors Meet showcasing investment opportunities in sixteen sectors including automobiles, aerospace, infrastructure, power, IT, BT and Textiles will be held in June 2012. The Government expects to attract investment more than Rs.5lakh crore. The Karnataka

Industrial Facilitation Act (2002) is being amended to focus on faster approvals and easier implementation of projects in the state.

172. In memory of Sir M. Visvesvaraya, an industrial area in Chikkaballapur District will be developed with an outlay of Rs.10crore.

173. Eleven sector specific parks in various regions focusing on food, gems and jewellery, auto ancillary, machine tool and pharamaceutical will be set up by KIADB with a total outlay of Rs.70 crore. KIADB to develop a land bank across the state with investment of Rs.2000 crore.

174. The small scale industry sector is vibrant in our state providing employment to over 2.5 million people. The long pending investment incentives of Rs 160 crore for these units will be cleared within a period of 2 years.

175. To promote Khadi and Village Industries and to ensure that about 32000 workers working in these institutions are adequately compensated for their labor, Rs 7 crore will be provided.

176. Government will provide financial assistance of Rs.1 crore to Karnataka Khadi Gramodya Samuktha Sangha in Hubli, Which is doing a yeoman service in manufacturing national flag for several years.

Textile

177. Total Provision of Rs. 138 crore is being made for various activities related to weavers.

178. Rs. 60 crore is being provided for the Weavers Package to be implemented by Textile Department. Another Rs.20 crore is being provided for the Weavers Package to be implemented by Karnataka Handloom Development Corporation.

179. For assisting the weavers shifting from handlooms to power looms, a provision of Rs.10 crore is being made. RS.10 crore is being provided for living cum work sheds.

180. Readymade garment training center will be set up in Kolar under PPP model

181. Outlay for implementing Textile Policy has been set as Rs.40 crore.

182. Another Rs.20 crore will be provided for other welfare activities relating to construction of hostels, community halls, etc for the weavers and their children.

Tourism

183. Karnataka received 8.46 crore in-bound tourists In 2011 with 70% increase in number of inbound international tourists. Tourism infrastructure will be strengthened, for which an outlay of Rs.100 crore has been made besides Rs.50 crore for development of roads relevant for tourism activities. The Government will provide land for tourism projects to be developed on public-private partnership basis.

184. Emphasis will be on skill development and capacity building the huge gap in demand and supply in skilled man power in the hospitality sector. Two institutes of hotel management would be setup at Bellary and Mangalore. A Food Craft Institute would be setup at Belur. Private and Government educational institutions would be encouraged to offer short-term vocational course in hospitability/tourism skill development.

185. Karnataka Tourism Trade Act would be enacted to ensure the standardization of services.

186. Karnataka's potential in heritage tourism, religious tourism would be harnessed to attract larger number of both domestic and international tourists to the State. A Coastal

Circuit would be developed. Heritage Circuits from Hampi to Bijapur, Jain Circuit from Shravanabelagola to Karkala, a Heritage and Buddhist Circuit in Gulbarga, Bidar and Yadagiri districts would be developed. Wellness circuit covering Bangalore and Mysore would also be promoted. A Theme Park would be set up with public-private partnership at Hesaraghatta.

187. A Janapada Loka will be constructed at a cost of Rs 5 crores at Pilikula Nisargadhama in Mangalore.

188. As a part of 150th Birth Anniversary celebrations of Swami Vivekananda a laser technology based fountain display would be constructed in Mysore on the lines of Lumbini Garden in Hyderabad, at a cost of Rs. 7 crores.

189. Total outlay of Rs.247 crore for tourism sector has been provided.

IT, BT and Science & Technology

190. Total Outlay of Rs.126 crore has been provided for promotion of Information Technology, Bio-Technology and Science and Technology activities.

191. Assistance of Rs.10 crore will be provided for setting up Solar Power Generation and Research Centre at Challikere Campus of Indian Institute of Science. Provision of Rs.5 crore has been made for K-FIST activities.

Forest

192. Total provision of Rs.180 crore has been proposed for various plantation activities. Target of raising 600 lakh plantation in 70,000 HA. and raising 175 lakh of seedlings for distribution among farmers and public has been set for 2012-13.

193. Rs.20 crore is being provided for construction of quarters for frontline staff and another Rs.20 crore is being provided for repairs and maintenance of existing quarters.

194. Modernisation and Strengthening of the Forest Force: The forests of Karnataka, especially forests of Western Ghats are rich in rare and diversified species of fauna and flora of the world. A grant of Rs 20 crores has been provided for capacity building and efficiency enhancement of forest department officials, for necessary vehicles, for modern fire fighting equipments, for GIS, for training to staff, for forest research and for computerization (e-governance) in order to strengthen the department.

195. Controlling conflict between wild animals and humans: In the recent days the conflict between the wild elephants, animals and humans has increased. Effective controlling and finding a solution to this conflict has become a challenge to the Government. In this direction, to prevent wild elephants entering agricultural land and human habitations, in places where the problem is acute, it is necessary to construct trenches and solar fences. For this purpose and for other measures a grant of Rs 10 crores will be provided.

196. Rehabilitation of Families in Forest Areas: To protect families located in National Parks, Sanctuaries and other forest areas from wildlife attack, such families need to be relocated voluntarily. For implementing this programme, a grant of Rs 10 crores will be provided from the pooled fund of the Social Welfare Department. In this year it is proposed take up this work in Hassan and Sakleshpur.

197. Western Ghat Task Force: Western Ghat Task Force is functioning through the Forest Department in the State. This task force is working in various fields like Forest Bio-Diversity, environment, water conservation, 'devarakadu' and village forest committee. It is striving to protect Western

Ghats through the Forest Department and several other organizations. For the year 2012-13, a grant of Rs 4 crore will be provided for the Western Ghats Task Force programmes.

Youth Services

ಹೊಸ ನೆತ್ತರಕ್ಕುಕ್ಕಿ ಆರಿಹೋಗುವ ಮುನ್ನ,
ಹರೆಯದೀ ಮಾಂತ್ರಿಕನ ಮಾಟ ಮಸುಳುವ ಮುನ್ನ,
ಉತ್ಸಾಹಸಾಹಸದ ಉತ್ತುಂಗ ವೀಚಿಗಳ
ಈ ಕ್ಷುಬ್ದಸಾಗರವು ಬತ್ತಿ ಹೋಗುವ ಮುನ್ನ
ಕಟ್ಟುವೆವು ನಾವು ಹೊಸ ನಾಡೊಂದನು,
– ರಸದ ಬೀಡೊಂದನು.

198. These lines of Gopalakrishna Adiga's poem reflect the overflowing enthusiasm and the power of youth. Our Government has pledged to constructively utilize this overflowing enthusiasm and power of youth in building a new society. More importance has been assigned to youth services and sports activities in the current budget.

199. Total outlay for activities related to youth in various sectors is around Rs.4534 crore. The growth of a State's Economy depends largely on how it approaches its intellectual capital and young human resources. Addressing employability of youth and building on their inherent skills will be vital for growth of Karnataka. To make the youth segment a 'demographic dividend' and empowering them systematically, a Youth Policy will be developed. The policy with a cross-sectoral approach will encourage key organizations and departments to work together, to share resources, prevent duplication, increase efficiencies and motivate all relevant sectors to take responsibility for young people. Rs.25 crore will be provided for implementation of Youth Policy.

200. On the occasion of 150th Birth anniversary of Swami Vivekananda, it is proposed to give more emphasis on youth emphasis and involve them for such activities.

Kannada and Culture

201. Our Government considers the protection of Kannada language, culture, art and literature as well as our land and water as our sacred duty. Accordingly the Government is committed to accord special encouragement and financial assistance to the plans of Kannada and Culture Department. In this direction, lines of Pu.Thi.Na.'s poem are the guiding lamp.

202. Kannada Flag hoisting on 1st of November every year, will be made compulsory in all Government offices, schools and colleges.

203. An outlay of Rs.269 crore has been provided for promotion of Kannada and Culture activities.

204. On the occasion of the completion of 100 years of Mysore Palace, to undertake renovation keeping in mind the heritage and uniqueness of the art and architecture of the palace and for up gradation of parks in the place premises as well as better facilities for the tourists, a sum of Rs.25 crores will be provided.

205. Assistance of Rs. 5 crore will be provided to Kannada Abhivriddhi Pradhikara.

206. Assistance of Rs.2 crore will be provided for construction of cultural center and other infrastructure at Jigani by Swami Vivekananda Yoga Anusandhana Samsthana, Bangalore.

207. Financial Support of Rs.1 crore will be given to celebrate Kambala Utsava in coastal area. This activity will be documented as cultural programme.

208. Training programme will be arranged by Shilpa Kala Academy in rural areas for promoting Shilpis to take up temple architecture works in the State. Financial support of Rs.3 crore will be given to the Academy in this behalf.

209. In addition to the already declared 6 heritage areas, 14 new areas will be declared as heritage cities. A grant of Rs. 1 crore will be provided for this.

210. A grant of Rs. 5 crores has been provided to take up development works at the Kuvempu Pratisthana in Kuppalli.

211. Rani Abbakka Bhavan will be taken up at a cost of Rs.2 crore at Ullal in Dakshina Kannada District.

212. A grant of Rs. 50 lakhs will be provided to Shri Gopalakrishna Yakshagana Kala Sangha, Kasargod.

Information Department

213. Monthly Honorarium for senior journalists will be increased to Rs.3000. Family Pension will be enhanced to Rs.1000. Government Departments will be prompted to release their advertisements through Information and Publicity Department, so that regional, district level and other small newspapers can also be considered for release of advertisements.

214. Provision of Rs.1 crore is being made to various welfare activities relating to journalists.

215. Special subsidy for children films will be enhanced to Rs. 4 lakhs from the existing Rs.2 lakhs.

216. A grant of Rs. 50 lakhs will be provided to Ankegowda library in Mandya.

217. A grant of Rs. 1 crore will be provided during 2012-13 for construction of Television Cultural and Sports Club, Bangalore.

Revenue and Muzarai

218. The implementation of path breaking initiative of Urban Property Ownership Records in four cities is likely to be completed during the next 6-9 months with completion of the title enquiry process. This initiative will also be taken up in Bangalore city in 50 wards in first phase during 2012-13.

219. The Bhoomi & Kaveri (Registration system) have now been tightly linked, and have been implemented in most of the taluks now as announced in the Budget Speech 2011-12. This integration, which is unique in the whole of country, would bring orderliness in land transactions.

220. Registration from anywhere has been put in place in Bangalore. It is intended to extend this flexibility in all districts giving citizens the freedom to register from anywhere in the district where land is located. Further reforms in registration process will be brought in during 2012-13 by mandating a uniform index sheet as part of each document to be registered.

221. To speed up the process of mutation in Bhoomi, in line with recommendation of Administrative Reforms Commission, concept of deemed mutation with adequate safeguards will be implemented. Bhoomi system would automatically approve the mutation under this concept after a fixed period if revenue officials fail to decide the request within the prescribed time limit.

222. Electronic integration and convergence between Bhoomi and Kaveri systems has been almost completed. The next step in Total Land Management will be taken up during 2012-13 by establishing complete electronic integration between Bhoomi, Kaveri & Mojini systems. This would be another first feature in the Land Management Systems in the entire country.

223. Rs. 10 crore is being provided to Karnataka Land Management Corporation to protect Government lands.

224. Many people in the State are residing in houses constructed on Government land. Many of these are poor and belonging to backward classes. In order to give titles to the eligible of these persons, it is proposed to amend section 94-C of the Karnataka Land Revenue Act so as to provide for making fresh applications. While bringing this amendment, some conditions would be imposed and those who already have own house or site would not be granted land afresh, and the need based house site will be regularized for the eligible persons only. Furthermore, restrictions will be imposed for prohibiting from consideration, cases of forest land, lake achkat, waterways, parks, land required for Government use etc.

225. A grant of Rs. 50 lakhs will be provided to Gavi Siddeshwara Math of Koppal city.

226. A grant of Rs.2 crores will be provided to Kudala Sangam Lingayat Panchamsali Peetha. Grant of Rs.1 crore will be provided to Sri Kadasiddeshwara Sree Matha in Tiptur Taluk.

227. A grant of Rs. 1 crore will be provided to Shri Siddharudha Mission for establishing a training and research centre at Ramohalli near Kengeri in Bangalore.

228. Rs. 10 crore is being provided for maintenance of Choultries outside the state.

229. Rs. 10 crore has been provided for maintenance of Rudrabhoomi.

Home

230. Maintenance of law and order is one of the highest priorities of the Government. The Government has been

providing the required support to Police Department for shouldering this responsibility.

231. 10 new police stations including 3 traffic police stations in Bangalore will be started. Rs.20 crore is being provided for traffic police.

232. Rs.50 crore is being provided for augmenting housing for the police personnel in addition to Rs.50 crore for maintenance and repairs of existing houses.

233. Police personnel will be provided an additional set of uniform.

234. Rs.25 crore has been provided for construction of fire force buildings and equipment. 3 new stations will be started during 2012-13.

235. Rs.10 crore has been provided for modernization of prisons.

Judicial Infrastructure

236. The State Government is committed to provide adequate infrastructure and other facilities for the Judicial Administration. Approvals have been given for construction of 43 new court buildings. 193 new residential quarters, 15 houses for higher judiciary and a guest house in Bangalore, all with a total original cost estimates of Rs. 280 crore. During 2011-12, expenditure on judicial infrastructure including diesel generator sets for district and taluka courts is likely to be Rs. 142 crore. For 2012-13, a provision of Rs. 155 crore has been made.

237. Detailed perspective and action plans for Improving Justice Delivery with a total outlay of Rs.269 crore over a five year period to be funded from the 13th Finance Commission Grants have been put into implementation.

Transport

238. To control overloading in goods vehicles, weigh-in motion systems at Kognolli and Humnabad border Check posts will be established.

239. Online collection of vehicle registration data from authorized dealers for rendering speedy services will be introduced.

240. To test the skill of the candidates scientifically and accurately before granting them driving license, automated driving test track at Hassan, Gulbarga and Bangalore (Electronic city) RTOs jurisdiction will be established.

241. Vehicle Inspection and Certification Centres at Mysore and Dharwad RTOs jurisdiction will be established.

242. For these initiatives, Rs.30 crore is being provided.

243. Midway Plaza facilities will be established at important locations.

244. Rs.30 crore is being provided for setting up truck terminals.

Food and Civil Supplies

245. Special attention has been given to tone up administration of public distribution system including shifting transportation responsibility from contractors to the fair price shop owners. During 2012-13, transportation by the Government agencies themselves will be taken up on a pilot basis.

246. A detailed information technology based exercise taken up by the Government has resulted in cancellation of almost 40 lakh bogus or duplicate ration cards.

Planning

247. Karnataka is among the few states to start the outcome based monitoring through the Result Framework Documents developed by Government of India. A new pilot project is planned with the help of World Bank to build organizational capacity of the departments for better performance management through effective result measurement and leaning from the best practices from other countries to enhance effectiveness of public expenditure.

248. Karnataka Human Development Report and District Human Development Reports for all the districts will be brought out in the next 2 years. These reports will identify and bring forth the district and region specific issues, assess impact of existing development programmes and suggest strategies that need to be adopted for better impact.

249. Comprehensive Integrated Decision Support System will be set up for transparent resource allocation, better decentralized monitoring and implementation of all the plan schemes and programmes.

250. Karnataka Evaluation Authority set up during 2011-12 for result oriented and outcome based evaluation will be strengthened to enable evidence-based policy formulation and programme development.

E-Governance

251. Major challenges in implementing beneficiary oriented welfare programmes are in respect of reaching the needy residents who have not been able to access the benefits so far and also to prevent leakages due to multiple benefits to the same individual. For addressing these challenges and improving governance of benefit distribution to the residents of the state, Karnataka Resident Data Hub will be set up in the next 9 months. This hub will identify each resident in a unique

manner and will contain details of the benefits provided to the residents.

252. So far 1.4 crore residents in the entire state have enrolled for the Unique Identification including 95 per cent residents in Tumkur and Mysore districts. The UID enabled delivery of major beneficiary oriented welfare schemes will be launched in these two districts as a pilot, before rolling out in the entire State.

Government Employees

253. As announced in Budget for 2011-12, the Government had constituted Official Pay Committee for considering requests of the Government Employees and pensioners. The Government has been revising pay and pension every 6 to 8 years. The last revision was done in 2006.

254. The Committee has given its report to the Government. I am happy to announce acceptance of the recommendations on pay and allowances of the Official Pay Committee. The same will be given effect from 1.4.2012. In view of the acceptance of the recommendations regarding revision of pay and other allowances, the existing dearness allowances and installment due as on 1st January 2012 will be merged in the basic pay and pension along with 22.5 per cent increase. This increase will be inclusive of the interim relief sanctioned with effect from 1st November 2011. The total additional outgo on account of the pay and pension revision is estimated to be Rs.4450 crore on a full year basis.

255. In arriving at this decision, the Government has attempted to maintain a balance between financing needs for its statutory responsibilities and development commitments and the need for appropriate salary for the employees who are instrumental for implementing the responsibilities and development programmes.

256. The remuneration for the daily wage employees will be increased by Rs. 1000 per month.

Expenditure Reforms

257. Expenditure Reforms Commission has completed its work and given four reports in all the Commission while giving its recommendations has covered many areas which cut across departments and are also unique to certain departments. These recommendations also require inter departmental consultations. In some cases, Finance and Planning departments are proposing or have taken actions already. While in other cases, the administrative departments are taking action.

258. These recommendations deal, among other aspects, with planning process, size of schemes, sunset clause for schemes, shifting plan priorities, bringing inclusion, increasing capital investment, ex-ante appraisal of projects and schemes, adopting project management approach, independent evaluation of schemes, and study of impact of subsidy and regional imbalance.

259. For most of these recommendations, Government proposes to complete the consultation process and arrive at appropriate decisions within a period of 6 months.

Fiscal Policy Institute

260. Capacity building of Government officials and helping them to improve the service delivery systems is critical to efficiently manage the challenges of economic development and dynamic fiscal environment. Towards this end, Fiscal Policy Institute has been set up with support from Planning Commission. Its full-fledged operations will commence within the next six months at the new campus at Kengeri.

TAX PROPOSALS

Commercial Taxes

261. The Commercial Taxes Department this year also is likely to exceed the target for revenue collection fixed in the Budget estimate of 2011-12. As against the Budgetary target of Rs26,700 crores, the Department expects to surpass the target by at least Rs500 crores. For this, I would like to place on record my thanks to the tax payers of Karnataka. The department has made substantial progress in the field of e-Governance. This has helped in making the tax administration convenient to the tax payers on the one hand and has improved internal efficiency of the department on the other hand. Currently, almost all interactions between the tax payers and the department have been made electronic. The e-Payment system which was started last year has been well received by all and more than 80% of the tax collections are coming through this mode. In the coming year, the department would attempt to achieve 100% of collection of payment through e-mode.

Value Added Tax

262. The trade and industry have made several requests and suggestions seeking tax reliefs and also modifications in law and regulations to make compliance simpler. In have examined them and have tried to accommodate many of their requests and suggestions especially those which affect the common man and the agriculture sector. I have also considered suggestions made to prevent trade diversion and for simplification of procedures.

Reliefs:

263. I propose the following reliefs under Value Added Tax.

(1) Tax exemption on paddy, rice, wheat, pulses and products of rice and wheat will be continued for one more year from April, 2012.

(2) Tax on ready to cook chapathi and parota will be reduced from 14 per cent to 5 per cent.

(3) Tax on un-ginned raw cotton will be reduced from 5 per cent to 2 per cent.

(4) Tax on dry chillies will be reduced from 5 per cent to 2 per cent. Further, Central Sales Tax on inter-State sales will be revised from 1 per cent to 2 per cent.

(5) Tax on surgical footwear will be reduced from 14 per cent to 5 per cent.

(6) Braille watches will be exempted from tax.

(7) Tax on black boards will be reduced from 14 per cent to 5 per cent.

(8) Tax on jewellery and articles of gold and other noble metals, precious and semi-precious stones will be reduced from 2 per cent to 1 per cent.

(9) Tax on works contract of manufacture of readymade garments and embroidery work will be reduced from 14 per cent to 5 per cent.

(10) Tax on furnace oil sold to foreign going vessels will be reduced from 14 per cent to 1 per cent.

(11) Tax on naphtha will be reduced from 14 per cent to 5 per cent.

Additional Resources Mobilisation Measures

Hon'ble Speaker,

264. Instead of increasing the tax rates to raise resources to meet our developmental expenditure, I propose to increase revenue collection by ensuring better tax compliance through a more efficient tax administration. At the same time, I propose to increase and also levy tax on a few commodities whose consumption needs to be curbed in the larger interests of the society as well as to curb tax evasion taking advantage of current tax exemption.

(1) VAT at 5 per cent will be levied on beedies.
(2) VAT on cigarettes and other tobacco products will be increased from 15 per cent to 17 per cent.
(3) VAT at 5 per cent will be levied on plastic woven fabrics.

Central Sales Tax

Rationalisation Measure:

265. While reducing VAT on dry chillies from 5 per cent to 2 per cent it is proposed to revise the Central Sales Tax on inter-State sales from 1 per cent to 2 per cent.

Sales Tax

Relief:

266. I propose to reduce the Sales Tax on Diesel by 1.25 per cent point thereby bringing down the tax rate from 18% to 16.75%.

267. I also propose to reduce sales tax on High Flash High Speech Diesel sold to foreign going vessels from 18 per cent to 1 per cent.

Luxury Tax:

Additional Resource Mobilisation Measures:

268. I propose to levy tax at 10 per cent on luxuries provided in temporary structures operating as marriage halls.

269. I propose to levy tax at 10 per cent on luxuries provided in seminar halls, conventional halls and others.

Agricultural Income Tax:

Relief:

270. I propose to exempt partnership firms from agricultural income tax.

Betting Tax:

Additional Resource Mobilization Measure

271. I propose to increase the minimum lumpsum tax payable by private bookmakers operating in Bangalore and Mysore as detailed in Annexure -3(a).

Rationalisation And Simplification Measures:

272. A number of rationalization and simplification measures towards better administration of Commercial Taxes are being taken. The details are in Annexure - 3(b).

Excise

273. I am pleased to announce that the Excise Department would surpass the financial target of Rs 9,200 crores by over Rs.300 crores and would reach Rs 9,500 crores during the year 2011-12. It is proposed to reduce the existing KSBCL profit margin to 0.5% and merge the difference with the Additional Excise Duty. Along with the merger, I propose to increase the Additional Excise Duty on IML by 7.5% to 10% on the 17 slabs for the year 2012-13. The 17 slabs of the

Declared Price are being restructured with an increase of Rs. 25. The Additional Excise Duty on Beer & Low Alcoholic Beverage will be increased by 7.5%. The details are in Annexure - 3(c). With effective enforcement measures, a volume growth of 7% would be achieved in liquor sales and a revenue target of Rs. 10,775 crores is set for the year 2012-2013.

274. Provisions have been made since 2010-11 to sanction Micro Brewery licences in the State. In order to encourage low alcohol beer manufacturing Micro Breweries, the pre-condition of possessing Bar licence (CL-9) or Club licence (CL-4) or Hotel Licence (CL-7) or Star Hotel licence (CL-6A) for obtaining Micro Brewery licences will be relaxed and licences will be issued for independent Micro Breweries.

275. To meet the demand of farmers cultivating Bangalore blue grapes, provision will be made for selling fortified wine in wine Taverns and Boutiques after reducing the alcohol strength from 24% volume by volume to 16% volume by volume and fixing the fruit wine content to a minimum of 7% volume by volume. It is also proposed to reduce the existing additional excise duty on fruit wine by 50% to promote fruit wine consumption.

Stamps and Registration

276. The revenue realized till the end of February 2012 during the current fiscal is Rs. 4,442/- crores, as compared to Rs.3,366/- crores for the corresponding period during the previous year. The revenue realization is expected to reach Rs.4,800/- crores during the current year.

277. I propose to reduce the stamp duty from 6 to 5% on conveyance/sale deeds. This will facilitate the registering public and would also trigger development in the construction industry. In propose to reduce Stamp Duty to 1% (subject to a

maximum of Rs. 15 lakhs) on the market value of the property in respect of Joint Development Agreement and Power of Atttorney thereof. This would also lead to better compliance.

278. I am also proposing certain new levies and rationalization measures. These changes will result in widening the tax base and growth of small business.

1. On documents relating to any Pawn and Pledge it is proposed to reduce stamp duty to 0.1%.
2. On Bonds it is proposed to reduce stamp duty to 0.5%.
3. I propose to levy the stamp duty at 0.1% in respect of agreements relating to advertisement for business development, granting of exclusive rights of telecasting/broadcasting of programs and assignment of Intellectual Property Rights.
4. The stamp duty of Rs. 100/- being levied on Customs bond, is proposed to be extended to Excise bond.
5. It is proposed to include "currencies" under the "Brokers' Note" along with Goods or Commodities.
6. In respect of agreements relating to Works Contract the stamp duty is proposed to be levied at 0.01% subject to a maximum of rupees five lakhs.
7. In respect of partnership deeds, the minimum slab of capital and the stamp duty payable thereon is proposed to be increased.

279. The details of the above proposals are at Annexure -3(d)

Motor Vehicle Taxes

280. The sale of the Motor Vehicles during the year 2011-12 has increased substantially and accordingly the growth in the collection of tax. I propose to revise the motor vehicle taxes on motor cabs:

- Motor Cabs having seating capacity up to 5+1 are paying Rs. 100/- per seat per quarter and Motor Cabs having seating capacity of 6+1 and floor area not exceeding 6 square metres are paying Rs. 750/- per square metre. This tax is proposed to be revised and now Life time tax will be levied for Motor cabs which costs more than Rs 10 lakhs, at the rate of 15% of the vehicle {Details are shown at Annexure -3(e)}

281. With the above revision and better collection efficiency it is proposed to collect Rs.3350/- crores during the year 2012-13.

Medium Term Fiscal Plan

282. Hon'ble Members may recall that Karnataka Fiscal Responsibility Act was amended during March 2011 to incorporate the recommendations of the 13th Finance Commission in respect to fiscal reforms path including specific milestones for Total Liabilities of the State Government and for enhancing transparency in the fiscal management. I am happy to share will the Members that the State Government continues to abide by even the more rigorous fiscal discipline envisaged under the amended Act. The Medium Term Fiscal Plan aligned to the requirements of the amended Acts is being placed before the august House along with the Budget.

Revised Estimates 2011-12

283. As per the Revised Estimates, the Total Receipts are Rs. 78440 crore as compared to Rs.83729 crore estimated in the Budget. The revenue mobilization efforts of the State at Rs.68398 crore have been better than the Budget Estimated of Rs.66313 crore. The larger mobilization has been through efficient and effective measure in collection of Own Tax Revenues at Rs.45775 crore, which is 18.98 per cent more than the actual collection during 2010-11 and almost Rs.1000 crore more than the Budget Estimates. In view of better than estimated mobilization of Revenue Receipts, the State Government has scaled down the borrowings by Rs.4124 crores as compared to the Budget Estimates.

284. As per the Revised Estimates, the Total Expenditure is Rs.84994 crore, as compared to the Budget Estimates of Rs.85319 crore.

285. Revenue Surplus is expected to be Rs.3144 crore. Fiscal Deficit at Rs.12673 crore is expected to be 2.92 per cent of GSDP. Total Liabilities at Rs.99312 crore at the end of 2011-12 are estimated to be 22.9 per cent of GSDP. The Revised Estimates indicate full adherence to the fiscal prudence mandated by the Karnataka Fiscal Responsibility Act.

286. I am happy to announce that the State Government is well positioned to achieve full State plan size of Rs.38070 crore. As compared to the achievement of Rs.31,154 crore during 2010-11, the achievement during 2011-12 is likely to be around 22% higher.

Budget Estimates 2012-13

Hon'ble Speaker, Sir

287. The Total Receipts are estimated to be Rs.103369 crore during 2012-13. The Budget Estimates envisage Revenue Recipts of Rs. 81461 crore and Capital Receipts including

Borrowings of Rs.21908 crore. The Total Expenditure is estimated to be Rs. 102742 crore consisting of Revenue Expenditure of Rs. 80530 crore and Capital Expenditure of Rs. 16542 crore and debt repayment of Rs. 5670 crore.

288. Revenue Surplus is estimated to be Rs.931 crore. Fiscal Deficit is expected to be Rs. 15312 crore, which is 2.94 per cent of GSDP. Total Liabilities at Rs. 114744 crore at the end of 2012-13 are estimated to be 22.03 per cent of GSDP. All these fiscal parameters are within the mandate of The Karnataka Fiscal Responsibility Act.

Resource Mobilization

289. As a result of the proposed tax reliefs and enhancements, the Government is likely to forego revenues of Rs. 150 crore per year. This loss is expected to be compensated by buoyancy in the economic activities spurred by the tax reliefs. The State's total Own Tax Revenue for 2012-13 is estimated to be Rs.51821 crore, with an increase of 18 per cent over the Budget Estimate for 2011-12.

290. Rs. 3193 crore is expected to be collected from non-tax revenues. The State Government expects to receive Rs. 13094 crore by way of the share in the Central Tax and another Rs. 13354 crore as grants from GOI.

291. These revenue receipts are estimated to be supplemented by gross borrowings of Rs. 21609 crore, non-debt receipts of Rs. 125 crore and recovery of loans to the extent of Rs. 174 crore.

292. Total Receipts are estimated to be Rs. 103369 crore.

293. Various State Owned boards and corporations and local bodies are expected to mobilize Rs.6740 crore through

internal resource generation and borrowings made on the basis of their own financial strength and own revenues.

Legal Amendments

294. The proposed tax measures and reliefs will be made effective from 1st April 2012. The required bills will be tabled before the august House in this session for carrying out amendments in the relevant tax laws for implementing the proposed changes.

Hon'ble Speaker, Sir

295. In order to achieving uniform development in the entire State our Government has taken this bold step with several new schemes. In assure that I will make sincere efforts to reach the goals set for ourselves by bringing improvements in resource mobilization and through proper utilization of public funds. In the endeavour I will overcome any obstacle and proceed forward.

296. The philosophy propounded by Basavanna is worth emulating while in public Without violating Rajdharma and upholding justice the following lines of his vachanas are inspiring.

"ನ್ಯಾಯನಿಷ್ಠುರಿ, ದಾಕ್ಷಿಣ್ಯ ಪರ ನಾನಲ್ಲ:
ಲೋಕ ವಿರೋಧಿ, ಶರಣನಾರಿಗೂ ಅಂಜುವವನಲ್ಲ."

297. When not compromising on the correct stand there are bound to be several challenges and difficult circumstances. One has to be stoic (sthithprjana) while facing such circumstances. In this background these lines of DVG's poem show the path to reach the goal without getting disheartened.

ಕಳವಳವ ನೀಗಿಬಿಡು, ತಳಮಳ ದೂರವಿಡು,
ಕಳೆ, ತಳ್ಳು ಗಲಭೆ ಗಾಬರಿಯ ಮನದಿಂದ
ಅಲೆದಾಡುತಿರೆ ದೀಪ ಕಣ್ಗೆ ಗುರಿ ತಪ್ಪುವುದು
ತಿಳಿತಿಳಿವು ಶಾಂತಿಯಲಿ – ಮಂಕುತಿಮ್ಮ

298. Now I commend the Budget for consideration of the august House and seek approval for vote on account for the expenditure during the period up to 31st July 2012 as per the Budget estimates.

Jai Hind

Jai Karnataka

BUDGET AT A GLANCE

BUDGET AT

Sl. No.	Item	Budget Estimates 2011-12	Revised Estimates 2011-12	Budget Estimates 2012-13
	Opening Balance	88.47	-657.13	-167.03
A.	**REVENUE ACCOUNT**			
I.	**Receipts**			
	State Taxes	43817.10	45775.03	51820.70
	Share of Central Taxes	10418.99	11075.04	13093.70
	Grants from Central Government	8402.38	8358.88	13353.53
	Non-tax Revenue	3674.79	3188.64	3192.82
	Total-A I	**66313.26**	**68397.59**	**81460.75**
II.	**Expenditure**			
	Social Services	24878.75	25899.14	30268.28
	Economic Services	17299.35	17470.80	20984.08
	General Services	18512.87	17493.21	24040.92
	Grants-in-aid & Contributions	4343.36	4390.66	5236.70
	Total-A II	**65034.33**	**65253.81**	**80529.98**
A.	**Revenue Account Surplus/Deficit**	**1278.94**	**3143.78**	**930.77**

CONSOLIDATED FUND AS PER

Receipts	**83728.79**	**78439.65**	**103368.77**

A GLANCE

(₹ in crore)

Sl. No.	Item	Budget Estimates 2011-12	Revised Estimates 2011-12	Budget Estimates 2012-13
	B. CAPITAL ACCOUNT			
	I. Receipts:			
	Loans from Government of India	1738.80	1616.98	2389.24
	Open Market Loans (Net)	8199.75	6206.45	13837.89
	Loans from LIC, RBI, GIC, NSSF & NCDC	2765.00	763.00	1765.00
	Recoveries of Loans and Advances	61.72	62.08	173.79
	Public Account (Net) etc.	1884.75	6384.75	-507.00
	Total-B I	**14650.02**	**15033.26**	**17658.92**
	II. Disbursements :			
	Capital Outlay (Net)	11754.44	13915.14	14330.48
	Repayment of Central Loans	590.51	578.39	640.85
	Loans from LIC, RBI, GIC, NSSF and NCDC	1221.35	1229.77	1412.12
	Disbursement of Loans & Advances	2067.88	1963.64	2086.39
	Total-B II	**15634.18**	**17686.94**	**18469.84**
	B. Capital Account Surplus/Deficit	-984.16	-2653.68	-810.92
	C. Overall Surplus/Deficit for the Year	294.78	490.10	119.85
	D. Closing Balance	383.25	-167.03	-47.18
	ANNUAL FINANCIAL STATEMENT			
	Expenditure	**85318.75**	**84334.30**	**102741.92**

ANNEXURE - I

(Reference: Para 28)

SECTORAL ALLOCATION FOR 2012-13 *

Sector	Rs. in Crore
1. Agricultural & Horticulture	4090
2. Animal Husbandry & Fisheries	1206
3. Home & Transport	4288
4. Rural Development & Panchayat Raj	6896
5. Social Welfare	3993
6. Women & Child Development	2883
7. Revenue	3061
8. Housing	1439
9. Education	15071
10. Commerce & Industries	1508
11. Urban Development	8797
12. Public Works	5110
13. Water Resources	8101
14. Health & Family Welfare	4260
15. Energy	10289

*This allocation includes Internal Extra Budgetary Resources.

Annexure-2

Assistance to various Backward Classes Communities

(Reference: Para 140)

1. For renovation and development works at the central place of Balehonnuru Shri Jagadguru Rambhapuri Peetha – Rs. 2 crores.

2. For construction of Sandesh Bhavan at Mysore by Shri Shri Jagadguru Shankaracharya Mahasanstanam, Sringeri – Rs 2 crores.

3. For construction of kumbar Bhavan – Rs 1 crore

4. For construction of Bhavasara Kshathriya Samaj Amba Bhavani Bhavan and Shivaji Hostel – Rs 2 crore.

5. For development of Ganga Matastara Nija Sharanara Ambigara Chowdaih Smarak Aikya Sthala, Haveri District – Rs 1 crore.

6. For construction of community centre by Vishwakarma Samaj – Rs 1 crore.

7. For Vishwa Ganigara Samudaya Truct (R) Samudaya Bhavan and hostyel –Rs 1 crore.

8. For all round development of Balija Samaj – Rs 1 crore

9. For Dashmanotsava celebrations of Backward classes federation – Rs 50 lakhs.

10. To Kaginele Authority for development of Doddakere, Devi-vana, link road and construction and development of Kanaka Smarak Bhavan in Bangalore – Rs 2 crores.

11. To Shri Kaginele Mahasamsthan Kanakguru Peetha, for construction of Kanaka Bhavan at Sangolli Rayanna Extension, Shimoga, Sanchari Kurigara, Shikaripura, construction of

children hostel, construction of kanaka Bhavan in Ranebennur taluka and construction of Kanaka Samudaya Bhavana, Jamkhandi – Rs 6 crores.

12. For all round development of Hema-Vema Sadbhavan Vidyapeeth, Hire-Hosahalli, Harihara Taluka – Rs 2 crores.

13. For all round development of Shri Shri Jagadguru Marulashankara Devara Gurupeeetha, Jevargi, Gulbarga district. Rs 1 crore.

14. For establishment of Kanaka Adhyayanapeetha at Karnatak University Dharwar – Rs 1 crore.

15. For all round development of Shri Siddharoodha Swami Sewa Trust, Ranebennur, Haveri district – 1 crore.

16. For establishing Hadapada Appana Devera Mahasamsthana, Tangadgi, Gangavati Taluka, Shri Shiva Sharanara Hadapada Appana, Shivasharanara Hadapada Lingammathayi Adhyayanapeetha, Gulbarga University- Rs 1 crore.

17. For all round development of Shri Shri Purushottamanandapura Uppar Samajdapeetha, Hosdurga- Rs 1 crore.

18. For all round development of Bhageeratha Samaja Mahasamsthanamath Bangalore Rs 1 crore.

19. For construction of community hall, Nityaannadasoha, orphanage and Goshala at Shri Kashi Annapurneshwari Sukhsethtra temple development sewa trust (R) Kolala, Koratagere Taluka, Tumkur district- Rs 25 lakhs.

20. To Shri Mahalaxmi Tigala Mahasamsthana Trust, Shivagange, Nelmangala taluka – Rs 1 crore.

21. For establishing State Tigala Samaj Flower and Fruit Development Authority – Rs 1 crore.

22. For construction of hostel building by Hindu Sadara Kshema Abhivruddhi Sangha, Mahalaxmipura, Bangalore – Rs 50 lakhs.

23. For hostel building of Somavamsha Arya Kshatriya Sewa Samaj, Bangalore – Rs 25 lakhs.

24. For all round development of Togataveera Kshatriya Sangha, Sampangiramanagar, Bangalore – Rs 50 lakhs.

25. For all round development of Magadi Taluka Karnataka Pradesh Arya Idiga Mahasamsthana. Solur – Rs 1 crore

26. For all round development of Dhobi Ghats of Karnataka Rajya Madivala Sangha, Bangalore – Rs 50 lakhs.

27. For all round development of Karnataka State Savitha Samaj Bangalore Rs 1 crore.

28. For all round development of educational institutions of Karnataka Kshatriya Maratha Parishad, Bangalore- Rs 50 lakhs.

29. For development of Kallahalli, Hunsur Taluka of Mysore District, the birthplace of the former Chief Minister Shri D Devaraja Urs and for completion of works of Samudaya Mantapa at Honganur – Rs 1 crore.

30. For Shri Chatrapati Shivaji Maharaja Jayantotsava – Rs 1 crore.

31. Jagadguru Shri Shri Krishna Yadava Banada Mahasamsthan, Holalkere, Chitradurga – Rs 1 crore.

32. For all round development of Shri Gosai Mahasamsthan, Gavipuram, Bangalore –Rs 1 crore.

33. Basava Bhavykyatha Kendra, Mysore, Shri Kodihalli, Hiriyuru Taluka (Scheduled Caste) –Rs 25 lakhs.

34. For all round development of Jagadguru Akhila Kunchatiga Mahasamsthan, Hosadurga – Rs 50 lakhs.

35. Shri Basava Bringeshwara Mahamath, Helava Samaja Gurupeetha, B. Kodihalli, Gubbi Taluka, Tumkur District – Rs 1 crore.

36. For construction of Shri Madivala Machideva Smaraka Bhavan, Shri Machideva Mahasamsthana, Chitraduurga Rs 1 crore.

37. For all round development of Gayatripeetha, Devanga Samaj, Shri Jagadguru Shri Shri Dayanand Puri Swamiji, Hampi Rs 1 crore.

38. For construction and development of hostel building, Shri Bhagwat Ramanuja Trust, Mysore Main Road, Kengeri, Bangalore Rs 1 crore.

39. For Udipi District Kudubi Samaj Community Hall – Rs 1 crore.

40. Konkana Kharvy Samaj Community Hall – Rs 1 crore.

41. For construction of Kunchatika Samudaya Bhavan at Tumkur - Rs. 1 Crore

Annexure-3(a)

Proposed increase in the tax payable by the private bookmakers (Reference para: 271)

(1) Bangalore- First enclosure.

Nature of race meeting	Current rate of tax	Proposed rate
Bangalore Winter Meeting (On-course)	Rs.25000 per day or 20% whichever is higher.	Rs.35000 per day or 20% whichever is higher.
Bangalore Summer Meeting (On-course)	Rs.20000 per day or 20% whichever is higher.	Rs.35000 per day or 20% whichever is higher.
Mumbai Meeting (Off-course)	Rs.25000 per day or 15% whichever is higher.	Rs.30000 per day or 15% whichever is higher.
Pune Meeting (Off-course)	Rs.10000 per day or 15% whichever is higher.	Rs.30000 per day or 15% whichever is higher.
Mysore Regular Meeting (Off-course)	Rs.8000 per day or 15% whichever is higher.	Rs.30000 per day or 15% whichever is higher.
Mysore Winter and Summer Meeting (Off-course)	Rs.5000 per day or 15% whichever is higher.	Rs.30000 per day or 15% whichever is higher.
Hyderabad Regular Meeting (Off-course)	Rs.8000 per day or 15% whichever is higher.	Rs.20000 per day or 15% whichever is higher.
Kolkata Meeting (Off-course)	Rs.8000 per day or 15% whichever is higher.	Rs.15000 per day or 15% whichever is higher.
Chennai Meeting (Off-course)	Rs.2000 per day or 15% whichever is higher.	Rs.5000 per day or 15% whichever is higher.
Ooty and any other off-course meeting	Rs.5000 per day or 15% whichever is higher.	Rs.7000 per day or 15% whichever is higher.

(2) Bangalore - Second enclosure.

Nature of race meeting	Current rate of tax	Proposed rate
Bangalore Winter Meeting (On-course)	Rs.7000 per day or 20% whichever is higher.	Rs.15000 per day or 20% whichever is higher.
Bangalore Summer Meeting (On-course)	Rs.7000 per day or 20% whichever is higher.	Rs.15000 per day or 20% whichever is higher.
Mumbai Meeting (Off-course)	Rs.7000 per day or 15% whichever is higher.	Rs.15000 per day or 15% whichever is higher.
Pune Meeting (Off-course)	Rs.5000 per day or 15% whichever is higher.	Rs.15000 per day or 15% whichever is higher.
Mysore Regular Meeting (Off-course)	Rs.5000 per day or 15% whichever is higher.	Rs.15000 per day or 15% whichever is higher.
Mysore Winter and Summer Meeting (Off-course)	Rs.3000 per day or 15% whichever is higher.	Rs.15000 per day or 15% whichever is higher.
Hyderabad Regular Meeting (Off-course)	Rs.5000 per day or 15% whichever is higher.	Rs.10000 per day or 15% whichever is higher.
Kolkata Meeting (Off-course)	Rs.5000 per day or 15% whichever is higher.	Rs.10000 per day or 15% whichever is higher.
Chennai Meeting (Off-course)	Rs.1000 per day or 15% whichever is higher.	Rs.5000 per day or 15% whichever is higher.
Ooty and any other off-course meeting	Rs.5000 per day or 15% whichever is higher.	Rs.7000 per day or 15% whichever is higher.

(3) Mysore.

Nature of race meeting	Current rate of tax	Proposed rate
On-course race Meeting	Rs.10000 per day or 20% whichever is higher.	Rs.20000 per day or 20% whichever is higher.
Off-course race meeting	Rs.5000 per day or 15% whichever is higher.	Rs.10000 per day or 15% whichever is higher.

Annexure-3(b)

Proposed rationalisation and simplification measures under Commercial Taxes (Reference: Para 272)

Sl.No.	Description
1.	To increase the penalties for the offence of non-maintenance of proper books of account from two thousand rupees to five thousand rupees and from five thousand to ten thousand rupees under Value Added Tax.
2.	To increase a penalty for the offence of non-production of records and non-furnishing of information from five thousand rupees to ten thousand rupees under Value Added Tax.
3.	To impose restriction on filing of revised returns under Value Added Tax.
4.	To provide for prosecution of dealers who fail to file return continuously for a period of three months or two quarters under Value Added Tax.
5.	To omit the inoperative provision relating to deduction of tax at source in the case of certain goods under Value Added Tax.
6.	To delete the provision of deemed rectification under Value Added Tax.
7.	To delete the provision relating to debit and credit notes under Value Added Tax.
8.	To amend the provision specifying five years as the period of limitation for assessment or reassessment under Value Added Tax.
9.	To clarify the powers of the appellate authority to stay disputed penalty and other amounts under Value Added Tax.
10.	To prevent claim of double deduction in respect of consumables used in works contract under Value Added Tax.
11.	To empower the Government and Commissioner to notify the goods for issue of transit pass and to provide for electronic application and also for electronic issue of transit pass under Value Added Tax.
12.	To amend audited statement of account to delete the advice relating to filing of revised return under Value Added Tax.
13.	To withdraw the provision of automatic cancellation of stay orders after 240 days under Value Added Tax.

14. To empower the Commissioner to notify the website in which particulars of specified goods brought from outside the state should be entered under Value Added Tax.

15. To provide for self assessment under Entertainments Tax and Luxury Tax.

16. To provide for automatic registration of proprietors of cinema theatres under Entertainments Tax.

17. To withdraw scheme of quarterly filing of returns under Profession Tax.

18. To increase the time limit for filing revision petition to 180 days under Professions Tax, Entry Tax and Agricultural Income Tax.

Annexure 3(c)

1. EXISTING AND PROPOSED DECLARED PRICE AND AED RATES ON IML (Reference: Para 273)

SL No	EXISTING		PROPOSED	
	Declared Price	AED	Declared Price	AED
1	0-349	79	0-374	97
2	350-399	102	375-424	124
3	400-449	129	425-474	155
4	450-499	168	475-524	200
5	500-599	193	525-624	235
6	600-699	217	625-724	264
7	700-799	230	725-824	281
8	800-899	248	825-924	303
9	900-999	261	925-1024	318
10	1000-1099	292	1025-1124	355
11	1100-1199	305	1125-1224	372
12	1200-1299	324	1225-1324	395
13	1300-1699	349	1325-1724	427
14	1700-2099	389	1725-2124	477
15	2100-4824	427	2125-4849	545
16	4825-7550	486	4850-7575	637
17	7551 & Above	Rs. 566 or 7.5% per BL on the declared price-whichever is more	7576 & above	Rs. 682 or 9% per BL on the declared price-whichever is more

2. EXISTING AND PROPOSED DECLARED PRICE AND AED RATES ON BOTTLED BEER

SL No	Declared Price	Existing	Proposed
		AED per litre	AED per litre
		Civil	Civil
1	Declared Price between Rs.125 & above (in case of 330 ml only)	100 % of Declared Price	122 % of Declared Price
2	Declared Price between Rs.140 & above	100 % of Declared Price	122 % of Declared Price

3. EXISTING AND PROPOSED DECLARED PRICE AND AED RATES ON DRAUGHT/BULK BEER

SL No	Declared Price	Existing	Proposed
		AED per litre	AED per litre
		Civil	Civil
1	Declared Price between Rs.00 to Rs 15	90 % of Declared Price	
2	Declared Price between Rs.16 to Rs.20	90 % of Declared Price	115 % of Declared Price
3	Declared Price between Rs.21 to Rs.25	90 % of Declared Price	115 % of Declared Price

4. EXISTING AND PROPOSED DECLARED PRICE AND AED RATES ON FORTIFIED WINE

SL No	Declared Price	Existing	Proposed
		AED per litre	AED per litre
		Civil	Civil
1	Declared Price between Rs.400 to Rs 750	Rs 10/-	Rs 17/-
2	Declared Price between Rs.751 to Rs.1200	Rs 18/-	Rs 29/-
3	Declared Price between Rs.1201 to Rs.2500	Rs 48/-	Rs 71/-
4	Declared Price between Rs.2501 to Rs.3000	Rs 65/-	Rs 93/-
5	Declared Price Rs.3001 & ABOVE	Rs 70/-	Rs 98/-

5. EXISTING AND PROPOSED DECLARED PRICE AND AED RATES ON LOW ALCOHOLIC BEVERAGES (LAB)

SL No	Declared Price	Existing	Proposed
		AED per litre	AED per litre
		Civil	Civil
1	Declared Price between Rs.00 to Rs 450	100 % of Declared Price	122 % of Declared Price
2	Declared Price Rs.451 above	100 % of Declared Price	122 % of Declared Price

Annexure 3(d)

Changes proposed to the SCHEDULE of the Karnataka Stamp Act 1957 (Reference: Para 279)

			Existing 4		Proposed 5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
1	Joint Development Agreement (JDA)	5 (f)	New Insertion	New Insertion	Relating to construction or development of an immovable property, including a multi-unit house or building or unit of apartment or flat or portion of a multi-storied building by a developer or builder or promoter or by whatever name called having a stipulation that, for such construction or development, the property shall be held jointly by the developer or builder or promoter or by whatever name called and the owner or lessee, as the case may be, of such property, or that it shall be sold jointly by them or that a part of it shall be held jointly by them and the remaining part thereof shall be sold jointly by them.	1% stamp duty (subject to a maximum of Rs 15 lakhs) on the market value of the schedule property or consideration, whichever is higher.

			Existing		Proposed	
			4		5	
Sl No	Item in the Schedule	Article No.	Description	Rate of Stamp Duty	Description	Rate of Stamp Duty
1	2	3	a	b	a	b
2	Agreement relating to advertisement/ telecasting/ broadcasting of programs for business development Agreement relating to transfer of intellectual property rights	5(i-b)	New Insertion	New Insertion	Agreement relating to advertisement/telecasting/ broadcasting of programs for promotion and development of business	One Rupee for every one thousand or part thereof on the amount or consideration in the agreement, but not less than Rupees two hundred.
		5(i-c)	New Insertion	New Insertion	Agreement relating to transfer of intellectual property rights (i.e., patent rights, copy rights, trade marks rights, etc.,)	One Rupee for every one thousand or part thereof on the amount or consideration in the agreement, but not less than Rupees two hundred.

			Existing		Proposed	
			4		5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
3	Agreement relating to deposit of title deeds, pawn or pledge, that is to say, any instrument evidencing an agreement relating to,—	6(2)	The pawn or pledge of moveable property, where such pawn or pledge has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt-		The pawn or pledge of moveable property, where such pawn or pledge has been made by way of security for the repayment of money advanced or to be advanced by way of loan or an existing or future debt. If such loan or debt is repayable on demand	One Rupee for every one thousand or part thereof on the loan or debt amount subject to a maximum of Rupees fifty thousand.
			(a) If such loan or debt is repayable not more than three months from the Date of such instrument:	Twenty five paise for every hundred rupees or part thereof.		

			Existing		Proposed	
			4		5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
			b) If such loan or debt is repayable on demand for more than three months from the date of instrument evidencing the agreement. Exemption 1. Instruments of pawn or pledge or jewels wherein such loan or debt is upto Rupees ten thousand. 2. Instruments of pawn or pledge of goods, if unattested.	Fifty paise for every hundred rupees or part thereof subject to a maximum of rupees two lakhs.	Exemption 1. Instruments of pawn or pledge or jewels wherein such loan or debt is upto Rupees one lakh. 2. Omitted	

			Existing 4		Proposed 5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
4	Bond	12	Bond Defined by Section 2(1)(a), not being otherwise provided for by this Act, or by the Karnataka Court-fees and Suits Valuation Act, 1958;		Bond Defined by Section 2(1)(a), not being otherwise provided for by this Act, or by the Karnataka Court-fees and Suits Valuation Act, 1958;	
			(a) where the amount or value secured does not exceed Rs. 1,000.	Rupees five for every one hundred rupees or part thereof.	(a) where the amount or value secured does not exceed Rs. 1,000.	Fifty paise for every one hundred or part thereof

			Existing 4		Proposed 5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
			(b) where it exceeds Rs. 1,000.	The same duty as under Clause (a) for the first one thousand rupees and for every five hundred rupees or part thereof in excess of one thousand rupees: Twenty-five rupees.	(b) where it exceeds Rs. 1,000.	The same duty as under Clause (a) for the first one thousand rupees and for every five hundred rupees or part thereof in excess of one thousand rupees: two rupees and fifty paise.
5	Conveyance	20(1)	For Conveyance:- As defined by clause (d) of Section 2, not being a transfer charged or exempted under No. 52, on the market value of the property which is the subject-matter of conveyance.	Six percent of the value	For Conveyance:- As defined by clause (d) of Section 2, not being a transfer charged or exempted under No. 52, on the market value of the property which is the subject-matter of conveyance.	Five percent of the value.

			Existing		Proposed	
			4		5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
6	Customs Bond	23	**Customs Bond** (a) where the amount does not exceed Rs. 1,000.	The same duty as a Bond for such amount.	**Customs or Excise Bond** (a) where the amount does not exceed Rs. 1,000.	The same duty as a Bond for such amount.
			(b) in any other case.	One hundred rupees	(b) in any other case.	One hundred rupees
7	Brokers Note	37(a)	**Note or Memorandum or record of transaction (Electronic or otherwise):** Sent by a broker or agent to his principal intimating the purchase or sale on account of such principal or effected by a trading member		**Note or Memorandum or record of transaction (Electronic or otherwise):** Sent by a broker or agent to his principal intimating the purchase or sale on account of such principal or effected by a trading member (agent) through stock exchange or association or otherwise on behalf of the client (principal) resident in the State of Karnataka or otherwise-	

			Existing		Proposed	
			4		5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
			(agent) through stock exchange or association or otherwise on behalf of the client (principal) resident in the State of Karnataka or otherwise- (a) Of any goods or commodities	One rupee for every ten thousand or part thereof on the value of goods or commodities, subject to a maximum of fifty rupees	(a) Of any goods or commodities **or currencies** ,	One rupee for every ten thousand or part thereof on the value of goods or commodities **or currencies,** subject to a maximum of fifty rupees.
8	Partnership	40	**Partnership:** **A. Instrument of:-** (a) where the Capital of partnership does not exceed rupees 5,000	One hundred rupees	**Partnership:** **A. Instrument of:-** (a) where the Capital of partnership does not exceed rupees fifty thousand	Five hundred rupees.

			Existing		Proposed	
			4		5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
			(b) in any other case	One thousand rupees	(b) in any other case	Two thousand rupees.
			B: Reconstitution:- (b) in any other case	Five hundred rupees	B: Reconstitution (b) in any other case	One Thousand rupees .
			C: Dissolution of : (b) in any other case	Five hundred rupees	C :Dissolution of: (b) in any other case	One thousand rupees .
9	Power of Attorney (POA) for Joint Development	41(ea)	New insertion	New insertion	Relating to construction or development of an immovable property, including a multi-unit house or building or unit of apartment or flat or portion of a multi-storied building by a developer or builder or promoter or by whatever name called having a stipulation that, for such construction or development, the property shall be held jointly by the developer or builder or	1% stamp duty (subject to a maximum of Rs 15 lakhs) on the market value of the property which is the subject matter of the Power of Attorney, or consideration, whichever is higher.

			Existing 4		Proposed 5	
Sl No 1	Item in the Schedule 2	Article No. 3	Description a	Rate of Stamp Duty b	Description a	Rate of Stamp Duty b
					promoter or by whatever name called and the owner or lessee, as the case may be, of such property, or that it shall be sold jointly by them or that a part of it shall be held jointly by them and the remaining part thereof shall be sold jointly by them.	
10	Works Contract	56	New insertion	New insertion	Agreements relating to building works/labour/ services (a) where the amount of agreement does not exceed Rupees ten lakhs	Rupees one hundred
					b) where the amount of agreement exceeds Rupees ten lakhs	Rupees One hundred + Rupees One hundred for every Rupees ten lakh or part thereof in excess of Rupees ten lakhs, subject to a maximum of Rupees five lakhs

Annexure 3(e)

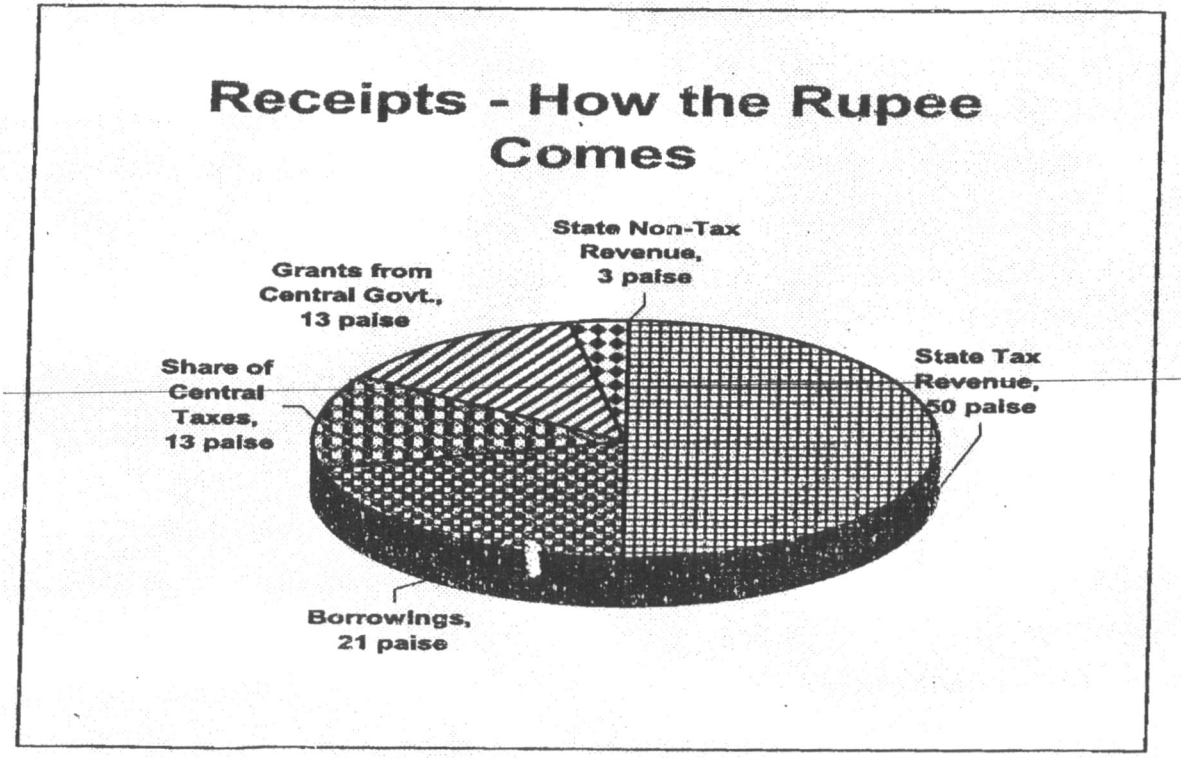
1. Life Time Tax for Motor Cabs which Costs more than Rs 10 Lakhs (Reference: Para 280)

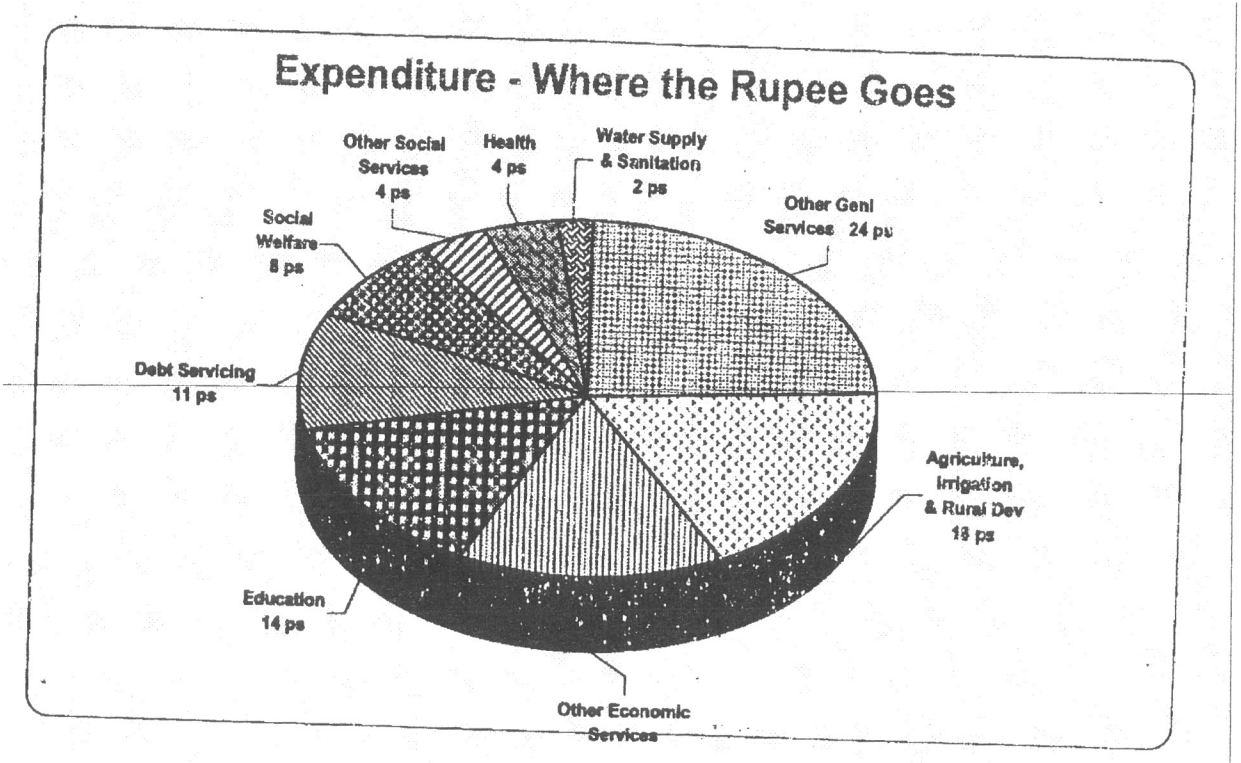
Present tax			Proposed tax		
Item No.	Class of vehicle	Quarterly tax in Rs.	Item No.	Class of vehicle	Life time tax in Rs.
4(1)(b)	Motor Cab having seating capacity upto 5+1	100/- per seat	4(1)(b)	Motor Cab having seating capacity upto 5+1	15 % of the cost of the vehicle
4(4)(a)	Motor cab having 6+1 seating capacity and having floor area not exceeding 6 Sq mtr.	750/- per Sq. Mtr	4(4)(a)	Motor cab having 6+1 seating capacity and having floor area not exceeding 6 Sq mtr.	15% of the cost of the vehicle.

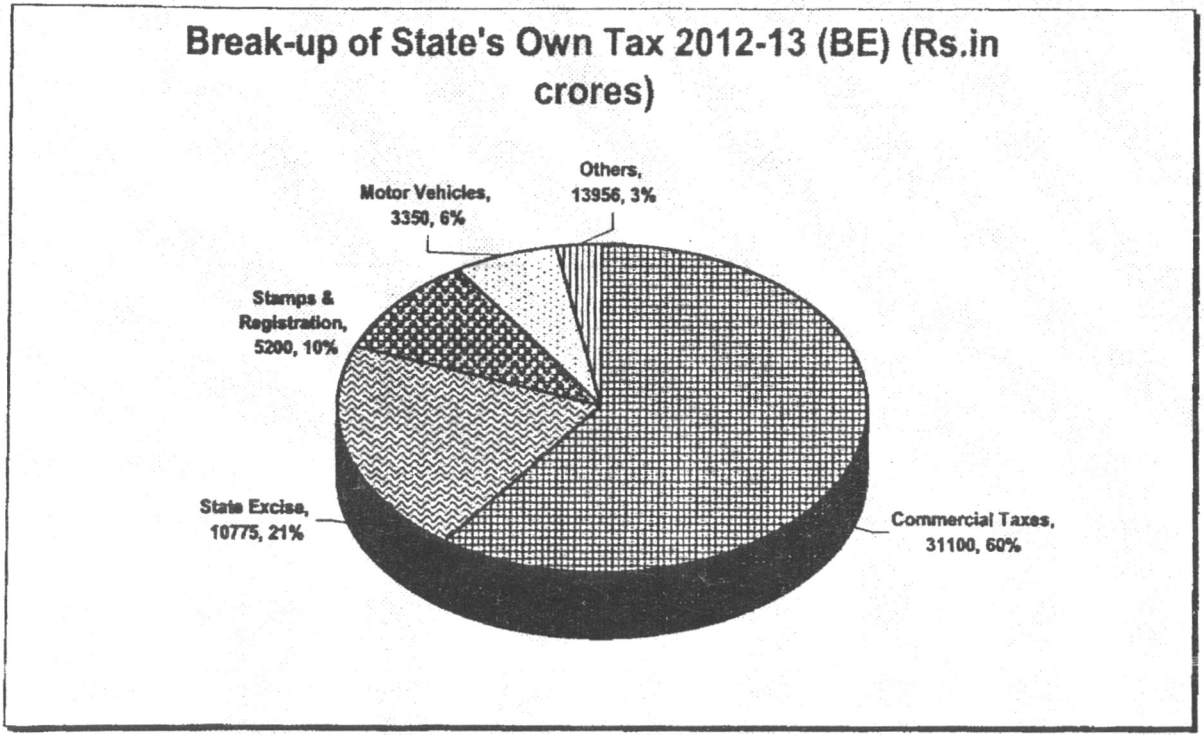
2. Life Time Tax for Motor Cabs which Costs more than Rs 10 Lakhs

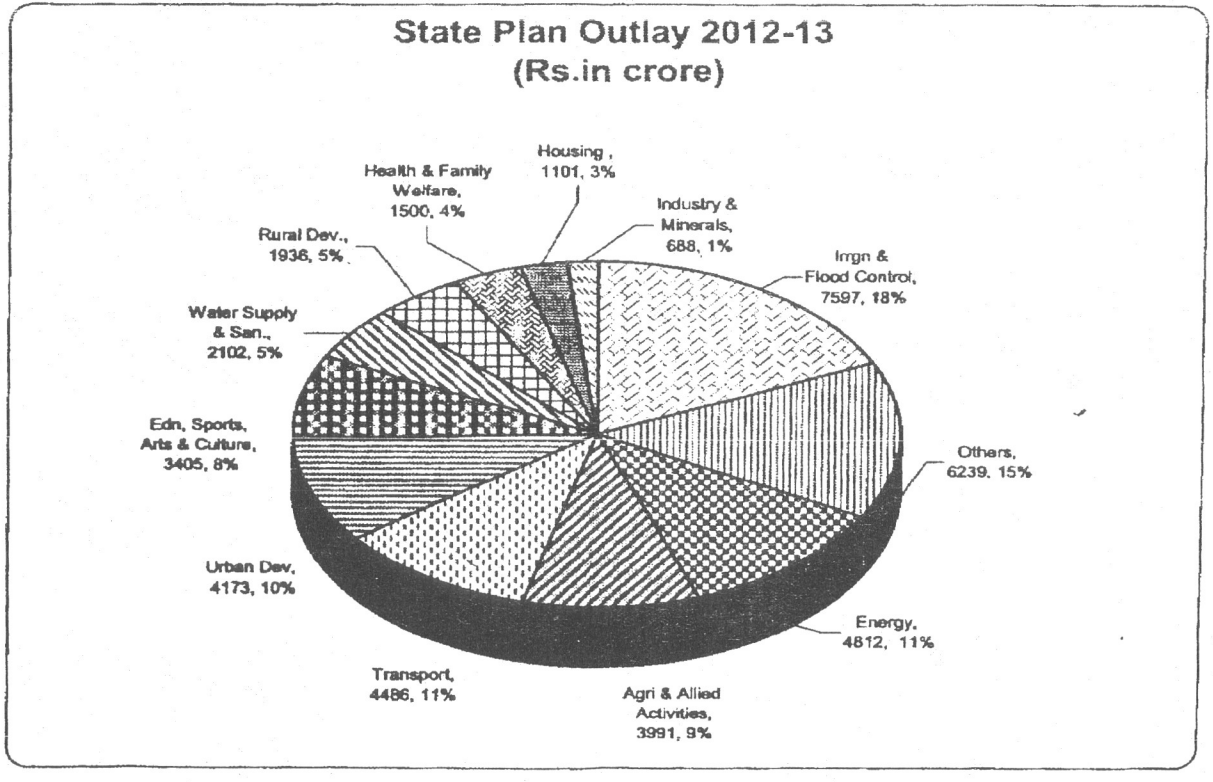
No.	Class of vehicle	Percentage of tax levied
A.	At the time of Registration of New Vehicles.	**15 percent of the cost of the vehicle**
B	If the vehicle is already registered and its age from the month of Registration is :	Percentage of the life time tax levied under Clause A
1	Not more than 2 years	93%
2	More than 2 years but not more than 3 years	87%
3	More than 3 years but not more than 4 years	81%
4	More than 4 years but not more than 5 years	75%
5	More than 5 years but not more than 6 years	69%
6	More than 6 years but not more than 7 years	64%
7	More than 7 years but not more than 8 years	59%
8	More than 8 years but not more than 9 years	54%
9	More than 9 years but not more than 10 years	49%
10	More than 10 years but not more than 11 years	45%

11	More than 11 years but not more than 12 years	41%
12	More than 12 years but not more than 13 years	37%
13	More than 13 years but not more than 14 years	33%
14	More than 14 years but not more than 15 years	29%
15	More than 15 years	25%


Receipts - How the Rupee Comes
State Non-Tax Revenue, 3 paise
Grants from Central Govt., 13 paise
Share of Central Taxes, 13 paise
State Tax Revenue, 50 paise
Borrowings, 21 paise


Expenditure - Where the Rupee Goes
Other Social Services 4 ps
Health 4 ps
Water Supply & Sanitation 2 ps
Other Genl Services 24 ps
Social Welfare 8 ps
Debt Servicing 11 ps
Agriculture, Irrigation & Rural Dev 13 ps
Education 14 ps
Other Economic Services


Break-up of State's Own Tax 2012-13 (BE) (Rs.in crores)
Others, 13956, 3%
Motor Vehicles, 3350, 6%
Stamps & Registration, 5200, 10%
State Excise, 10775, 21%
Commercial Taxes, 31100, 60%


State Plan Outlay 2012-13
(Rs.in crore)
Housing , 1101, 3%
Health & Family Welfare, 1500, 4%
Industry & Minerals, 688, 1%
Rural Dev., 1936, 5%
Irrgn & Flood Control, 7597, 18%
Water Supply & San., 2102, 5%
Edn, Sports, Arts & Culture, 3405, 8%
Others, 6239, 15%
Urban Dev, 4173, 10%
Energy, 4812, 11%
Transport, 4486, 11%
Agri & Allied Activities, 3991, 9%